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Algeria 6.00 Din. Iran 115 Rials Oman 0.900 R. Austria 25 S. Israel NIS 2.00 Portugal 110 E. Bahrain 0.700 Din. Italy 1,700 Lire Qatar 6.50 Rs. Belgium 40 B.F. Jordan 450 Fils Rep. of Ireland 70 Canada C$ 1.50 Kenya Sh. 20.00 Saudi Arabia 7.00 Cyprus 0.70 Kuwait 500 Fils Spain 125 Pts. Denmark 9.00 D.Kr. Libya L.Din. 0.40 Sweden 7.00 S.Kr. Egypt E.£ 2.00 Luxembourg 40 L.Fr. Switzerland 2.00 S.Fr. Finland 7.00 F.M. Madeira 120 Esc. Tunisia 0.700 D. France 6.00 F. Malta 35 Cents Turkey T.L. 900 Germany 2.00 D.M. Morocco 6.00 Dh. U.A.E. 7.00 D. Great Britain £0.55 Netherlands 2.50 Fl. U.S. Mil. (Eur.) BX Greece 100 Dr. Norway 7.50 NKr Yugoslavia 500

Reuters

CRASH SURVIVOR — Saleem Dado, a Jordanian businessman who survived the crash of an Iraqi Airways jet following a hijacking attempt, described 20 minutes of terror before the plane hit the Saudi Arabian desert, broke in two and exploded, killing 62 persons. Page 2.

Surplus Narrows In Japan

Trade Figures For November At $8.5 Billion

Compiled by Our Staff From Dispatches

TOKYO — Japanese government figures confirmed Friday that the country's huge trade surplus continued to shrink last month.

But economists said that Japan, which is trying to defend its economic policies against complaints by its trading partners, would still have a record surplus for the 1986-87 fiscal year.

Planners predict the surplus will expand to $94 billion in the 12 months to March 31 from a surplus last year of $61 billion.

Reporting on the balance of trade, the Finance Ministry said the surplus in November shrank to the yen equivalent of $8.5 billion from $8.72 billion in October and $9.8 billion in September.

Another major indicator, the current-account surplus, narrowed to $8.14 billion in November from $8.28 billion in October. However, this was still far above a $4.49 billion surplus a year earlier. The current-account surplus measures trade in goods and services as well as interest, dividends and certain transfers.

The long-term capital account deficit was $13.78 billion in November after a record deficit of $16.35 billion in October. The deficit a year earlier was $5.56 billion.

Exports fell in November to $16.6 billion from $18.9 billion in October, but were up from $15.4 billion a year earlier.

In other economic reports Friday, the country's unemployment rate showed no improvement in November and annual industrial production appeared likely to register its first decline in 11 years. The reports were fresh evidence that the economic slowdown brought on by the strong yen shows no sign of abating, officials said.

The economists added that while a shrinking surplus might have benefits diplomatically, for Japanese industrialists it was an unwelcome reflection of stagnation at home.

Reflecting this, the government said Friday that the seasonally adjusted unemployment rate was unchanged in November from October's 2.8 percent but was up from 2.7 percent a year earlier.

The Management and Coordination Agency said that unadjusted unemployment in November totaled 1.59 million people against 1.61 million in October and 1.59 million a year earlier.

Another report showed that Japan's preliminary industrial production index fell 1.5 percent in November to a seasonally adjusted 118.9, based on 1980 figures. In October the index fell 1.9 percent from the month before.

The Ministry of International Trade and Industry said the preliminary, unadjusted November index fell 2.1 percent from a year earlier. The drop in production was partly due to three national holidays in November, a ministry official said.

Discussing the narrowing trade surplus, economists added that it might have come too late to avert a protectionist reaction by Japan's trading partners next year.

The huge leap from last year's imbalance is the result of a distortion in international trade accounting, known as the J-curve, which

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Dick Fung/The Associated Press

Fire in Hong Kong Leaves 1,700 Boat Dwellers Homeless

A fire destroyed about 150 junks and sampans Friday in a Hong Kong cove that is popular with tourists because of its floating restaurants. Two persons were hurt and 1,719 lost their homes in the fire, which started before dawn in a typhoon shelter at Aberdeen on Hong Kong island. The blaze, fanned by a winter monsoon, lasted for four hours. The cause was unknown.

Beijing Curtails Protest

New Rules Show Harder Line on Student Unrest

By Daniel Southerland
Washington Post Service

BEIJING — The Beijing city authorities announced stricter regulations Friday for demonstrations and placed four key locations in the capital off limits to demonstrators.

Several other Chinese cities were reported to have tightened security measures aimed at preventing further pro-democracy demonstrations.

But a student reached by telephone in Nanjing on Friday said that despite strong warnings from the government, students in that city continued to demonstrate for a fifth straight night. He said the students had broken up into small groups and that he could not estimate their numbers.

Only one demonstration has occurred in Beijing, but anything that happens here can exert a strong influence elsewhere.

Under the new regulations, organizers of demonstrations will be required to give their names to the police, something that students might be reluctant to do for fear of retaliation from the authorities. In many of the recent demonstrations, students leaders seemed to stay in the background, perhaps in an effort to avoid such retaliation.

But for the most part, the regulations fit a pattern of conduct on the part of the leadership over the past few weeks, which has been to avoid some of the repressive tactics of the past, such as arrests. The government is using a combination of persuasion, compromise, gentle pressure and threats to keep students off the streets.

In some places, this seems to be working.

In Shanghai, students appear to be divided as to whether they should continue demonstrating. But the government seemed to ease the tension in that city by withdrawing allegations that students beat up 31 policemen Saturday and overturned two vehicles Sunday. Two workers were arrested for overturning a car.

Students in Tianjin joined the demonstrations several days ago,

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U.S. Envoy Linked To a Contra Airstrip

LATE NEWS

Soviet Frees Peace Activist

MOSCOW (AP) — A member of an unofficial Soviet peace group has been released from a two-year term in a labor camp, a fellow activist said Friday.

Larisa Chukayeva, a member of the Committee to Establish Trust Between the U.S.S.R. and the United States, returned to Moscow on Thursday, according to a colleague, Alexander Rubchenko, who said she received an amnesty under a legal provision covering charges that are not considered serious.

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SPORTS

■ Mikael Pernfors defeated Paul McNamee in Davis Cup tennis to bring Sweden even with Australia, 1-1. Page 13

By James LeMoyne
New York Times Service

MIAMI — The U.S. ambassador to Costa Rica helped secure initial Costa Rican permission to build a secret airstrip for the Nicaraguan rebels early this year and was deeply involved in overseeing its use, according to a senior government official in Central America.

According to U.S. government and Nicaraguan rebel officials, Ambassador Lewis A. Tambs and other officials in the embassy in San José maintained close contact with people involved in a so-called private supply network for the rebels.

The network was set up by Lieutenant Colonel Oliver L. North of the National Security Council, who has since been dismissed. The operation was established at a time when Congress had made it illegal to send military supplies to the rebels, known as contras, who are seeking the overthrow of the Nicaraguan government.

Asked early this month about a published report fingering him to secret arms shipments to the contras, Mr. Tambs denied that he had had anything to do with such an operation. More recently, he declined a request for an interview and efforts to reach him by telephone at his apartment were unsuccessful.

In Washington, a State Department spokesman declined to comment when asked whether Mr. Tambs had helped secure permission

See CONTRAS, Page 2

American Catholics: Conflicts With Rome, at Home

Issues Include Celibacy, Homosexuals, Birth Control, Abortion and Divorce

By E.J. Dionne Jr.
New York Times Service

ROME — Long before it was popular to do so, a Roman Catholic clergyman from the United States favored celebrating Mass in English instead of Latin, the election of the leadership of the American church by its own priests instead of its appointment by Rome, and a strong role for the laity.

The man in question was not a latter-day Catholic dissident, but John Carroll, the first Catholic bishop of the United States, elected by his fellow clergymen in 1789. Pope Pius VI agreed to leave the choice to them, which was not unusual at the time.

The story of Bishop Carroll underlines the unusual role that America has played in the Roman Catholic Church and the fact that conflicts today between Rome and elements of the American church are not new.

The recent struggles have been bitter, however, dividing the American church itself. And despite the insistence of some American bishops that differences between Rome and American Catholics are exaggerated, Vatican officials say the conflicts are genuine and have an importance that transcends the United States.

The most dramatic cases have included the Vatican's decision to take away some of the powers of Archbishop Raymond G. Hunthausen of Seattle and to strip the Reverend Charles Curran, who has dissented from official teaching on sexuality, of his right to teach as a Roman Catholic theologian.

These cases are only part of a broader questioning of Rome in the United States that includes sharp attacks on the all-male, celibate priesthood and the church's teachings on homosexuality, birth control, abortion and divorce.

Vatican in Transition

John Paul and Dissent

Second of three articles

According to a New York Times-CBS News Poll in November 1985, a majority of American Catholics favored permitting Catholics to get divorced and marry someone else (73 percent), favored the use of artificial methods of birth control (68 percent), favored letting Catholic priests marry (63 percent) and favored letting women become priests (52 percent).

The dissent on sexual questions, especially birth control, offers the most dramatic and widespread example of disaffection among many of America's 52 million Catholics. Here, in the view of the Vatican, is where modernity has made great, and dangerous, inroads.

"The major problem the hierarchy faces may be that Catholics simply don't believe in hell and eternal punishment the way they used to," said Monika Hellwig, a professor at Georgetown University and president of the Catholic Theological Society of America. "The American laity, especially the college-educated," she said, "is well aware that the hierarchy

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Abshire Will Coordinate Reagan Case in Inquiries

The Associated Press

WASHINGTON — President Ronald Reagan, going outside the White House for help in a time of political turmoil, on Friday appointed David M. Abshire, the U.S. delegate to NATO, to coordinate responses to investigations of the Iran-contra affair.

A White House spokesman said Mr. Abshire, 60, would report directly to the president and not to Donald T. Regan, the White House chief of staff.

The spokesman said the new counselor, who will have cabinet rank, "will head a team that will coordinate White House activities in all aspects of the Iran matter."

Bob Dole, a Kansas Republican who is Senate majority leader, hailed Mr. Abshire's appointment as "yet another signal to Congress and to the American people that President Reagan is determined to stay on top of this controversy until it has been fully resolved."

Senator Patrick J. Leahy, Democrat of Vermont and vice chairman of the Senate Intelligence Committee, said: "It's good that they're going to have one person coordinating things because virtually everything they need to know can be found out now at the White House.

"This appointment will save them from asking committees in Congress for a report which will tell them what they have in the White House."

Mr. Abshire, who will start his assignment Jan. 5, had been considered as a replacement for Mr. Reagan's former national security advisor, Vice Admiral John M. Poindexter. Admiral Poindexter resigned Nov. 25 after Attorney General Edwin Meese 3d reported that he had known of the diversion of proceeds from the Iranian arms sale to the Nicaraguan rebels, or contras.

Meanwhile, a spokeswoman at Georgetown University Hospital said Friday that William J. Casey, director of the Central Intelligence Agency, was in stable condition and "fully conscious and able to sit up in a bedside chair" following surgery last week to remove a cancerous brain tumor.

The statement was a departure from a series of statements that previously had merely described Mr. Casey's condition as stable after the Dec. 18 operation.

NYT

David M. Abshire

Olivier Boitel/The Associated Press

Many travelers in Paris chose buses as rail service was crippled by strikes. Page 2.

South Korea Crackdown Threatens Labor Rights

By Susan Chira
New York Times Service

SEOUL — She works in a small clothing factory, or at least she did until she was dismissed recently for refusing to work an extra 12-hour shift on a Sunday.

The 30-year-old worker, who declined to give her name for fear of being blacklisted by employers, was accustomed to long hours. She had worked 10-hour days, six days a week, sewing buttons on clothes for an average monthly salary of $185.

But after attending evening classes at a local church, where she learned about labor organizations, she grew to believe that her employers' demands were unfair. She now says she is willing to organize strikes at factories.

"They fired me," she said, "for being an agitator."

Labor rights have fast become a sensitive political issue in South Korea, amid charges that the country's dazzling economic growth has come at the expense of workers. The government is cracking down on what it views as dangerous leftist groups that indoctrinate workers such as the clothing-factory employee.

In November, South Korea's labor minister, Lee Hun Ki, called on 14 labor groups to disband by the end of the year or be forcibly shut down.

South Korean labor organizers, Western diplomats and other observers here say that while leftist groups exist, poor working conditions and tough government anti-labor policies are eroding the middle ground.

"Why are these groups politicized?" said Harry G. Kamberis, South Korea program director for the Asian-American Free Labor Institute, an affiliate of the largest U.S. labor organization, AFL-CIO. "Because of government suppression of legitimate means of dissent."

By many objective measures, working conditions and wages in South Korea lag behind international standards. A survey by the Korea Employers Federation says that South Korea has the world's longest work week, an average of 54.4 hours.

South Korea's rate of industrial accidents also is high: such accidents killed 1,728 workers and injured 140,091 last year, according to the Labor Ministry.

There are no minimum wage laws in South Korea and, according to the Federation of Korean Trade Unions, 9 percent of South Korean workers earn less than $115 a month.

Conditions, however, vary from company to company. Conglomerates generally have modern factories, pay wages that are generous by South Korean standards and offer extensive benefits such as subsidized housing. But Mr. Kamberis said that many large companies required a great deal of overtime and discouraged union organizing.

At smaller companies, conditions are considerably grimmer.

See KOREA, Page 2

Amid Empathy for Reagan, a Weariness With Iran

By Jay Mathews
Washington Post Service

RED CLOUD, Nebraska — Someone had come into the gaily-decorated gift shop asking about Iran. Nicholas Graves, the dapper 68-year-old caretaker, frowned with impatience at this intrusion into his holiday routine.

"If a man does his job right, he's going to get criticized," Mr. Graves, a Democrat, said of the Republican president for whom he voted twice. "I was a meat inspector for 26 years, and every day I made a decision somebody didn't like."

Last week, residents of four disparate communities — the resort town of Palm Springs, California, the farming village of Red Cloud, the university town of Clemson, South Carolina, and the industrial city of Pittsburgh — were drawing similar parallels between their lives and the latest Washington crisis.

For the most part, these Americans resisted any temptation to discount their regard for Mr. Reagan as a national leader.

They share little of Washington's obsession with arms sales to Iran and the diversion of profits to aid the Nicaraguan rebels, or contras. Many resented having the controversy waved before them as they strung Christmas lights and welcomed family home.

These Americans showed little constraint in criticizing Mr. Reagan's conduct while in many cases reaffirming their sympathy and support for him.

Asked to reconcile the contradictions, they said that unresolved questions and their personal concerns had prompted them to put the matter aside or to dismiss it as a fixation of the news media or Washington.

"Pittsburgh is bored," said Mike Levine, a popular radio talk-show host in that largely anti-Reagan city. He has watched with mounting dismay as residents have failed to rise to his level of outrage. "They're just not upset about it."

Alan Grubb, who teaches European history at Clemson University, said that the sale of arms to Iran was "an incredibly stupid thing" but added, "I would not want to be president and have to deal with these problems."

Terence Martin and Arden Haywood, Clemson seniors from Charleston, South Carolina, have been arguing over the Iran-contra controversy for weeks, an unusual occurrence on a campus where students have other things on their minds.

Mr. Martin and Mr. Haywood are roommates and members of the debate team. Their dialogue reflects differences of opinion found across the country, at least among the apparent minority that spends time discussing the crisis.

"Reagan's got a lot of charisma about him; he's a good leader," said Mr. Haywood, who received his bachelor's degree in Spanish last week. "The arms traffic to Iran I'm totally against, but I still like him."

Mr. Martin criticizes U.S. support for the contras, arguing that Washington "should try negotiations instead." His roommate backs aid to the rebels.

Mr. Martin predicted that Mr. Reagan would survive the episode.

"It will be over," he said. "I don't think there is as much abuse of power here as in Watergate."

On a chilly United Steelworkers picket line in Braddock, Pennsylva-

See MOOD, Page 2

In Japan, They Drink to Toast the New Year, Obliterate the Old

By Clyde Haberman
New York Times Service

TOKYO — Japanese, as a rule, do not fall down on the job. After work, though, it's another story.

Every evening, as faithfully as a bartender listening to a woeful tale, Tokyo's gray-flanneled samurai cluster in bars and pubs to drink themselves into states of near collapse. Late at night, the ones who have not entered the primary stages of paralysis try uncertainly to make their way home. Commuter trains at about 11 P.M. are filled with businessmen in tan raincoats literally falling all over each other.

This nightly ritual tends to stagger first-time visitors because it runs counter to a common stereotype of Japan as a place of unrelieved sobriety and caution. In reality, many Japanese say, their country is a "heaven for drunks."

In the last few weeks the bobbers and weavers have been out in battalion-strength as Japan has plunged into its customary December frenzy of parties called *bonenkai*, dedicated to obliterating memories of the old year.

The bonenkai — literally, "forget-the-year meeting" — is obligatory for most Japanese, an occasion to talk a lot and drink even more with fellow workers, friends or neighbors. Because relationships vary in nature, many people have had to attend several parties this month, and because custom dictates that revelers pay their own way, the costs mounted quickly.

A newspaper editor made a tally of his obligations, and calculated that the dozen parties he went to easily cost him $600. And he did not even enjoy himself at some of them, he complained.

Invariably, overall alcohol consumption soars every December, beer being by far the most popular drink, followed by sake and whisky. Last year, according to industry statistics, the average monthly shipment of hard liquor to distributors amounted to 8.6 million gallons from January to November. In December that figure shot up to 12.1 million gallons. Shipments of stomach medicines followed a similar pattern, a pharmaceuticals research group said.

Amid the merriment, some Japanese find fresh evidence in the bonenkai season that the country faces, in their opinion, a growing alcohol problem.

"Big business doesn't like to admit that the problem exists, but it does," said Dr. Hiroshi Kono, an authority on alcoholism at the Kurihama National Hospital in Yokosuka, south of Tokyo.

"There's almost a manipulation of the facts by business on this point," Mr. Kono added. "School officials also oppose research on this because they don't like to admit that their kids drink."

It is indeed conventional wisdom here that, while Japan may have to deal with drunkards, it does not have to fret much about alcoholism because its people have a notoriously low tolerance for liquor. Many Japanese, researchers say, lack an enzyme that

See DRINK, Page 2

French Rail Talks Stalemated; Other Walkouts Are Threatened

By Axel Krause
International Herald Tribune

PARIS — As a nine-day railroad strike continued Friday, André Bergeron, a national union leader, warned Prime Minister Jacques Chirac that if talks with railroad employees were not started immediately, work stoppages would spread.

"My fear is that worker demands and conflicts will spread to other parts of the economy if negotiations are not started immediately," said Mr. Bergeron, general secretary of the Force Ouvrière, France's largest non-Communist union.

His members were supporting the strike against the government-owned French railways, as well as other work stoppages planned next week involving the Paris métro, suburban railroads, electricity and gas utilities, national arsenals and major ports.

Workers and union leaders are challenging the government's drive to hold down wage increases, cut benefits and eliminate jobs, which are moves directly linked to the government's determination to keep the French franc strong in world currency markets.

Denis Baudouin, Mr. Chirac's spokesman, said Friday that "the government is determined to remain firm, to hold our ground."

Mr. Bergeron's warning about a spreading strike, made during a television interview, came within an hour after a senior executive of the national railroad, or SNCF, said he was prepared to open negotiations if striking workers returned to their jobs. That suggestion was rejected by union leaders.

Jean Dupuy, managing director of the SNCF, told reporters the railroad had become virtually paralyzed because of the strike and now faced "a grave crisis." Mr. Dupuy said he was willing to negotiate improved working conditions and a new pay scale that emphasizes merit over seniority and would become effective Jan. 1, 1988. The executive also said he was ready to accept mediation by a third party.

But railroad employees must first return to work, Mr. Dupuy said. He urged striking workers "who like their profession and want to protect the existence of the railway to think hard and return to their jobs." As soon as the trains "are rolling, the overtures I just made, which are very large, can be made concrete," Mr. Dupuy said. Talks broke off Dec. 23.

The French Democratic Confederation of Workers, or CFDT, one of the major striking unions, termed Mr. Dupuy's statement "disappointing." The Communist-led General Confederation of Labor, or CGT, the country's largest union, said Mr. Dupuy was "stepping up the tension in making the reopening of talks conditional on a return to work."

Travelers and commuters were expected to face increasing disruptions in rail service throughout France starting Monday. On Friday, only one train in four was running on inter-city routes and service north of Paris was completely out, Reuters reported.

Suburban services were described as "patchy" and would deteriorate, along with other rail service, if negotiations did not begin quickly, union and government transport officials said.

Union leaders said that a strike of the Paris métro and bus system was scheduled to begin Tuesday if a meeting with management Monday did not produce results. A strike that crippled the city's transport system earlier this week was suspended Thursday.

The toll on the economy caused by severe drops in passenger and freight rail traffic also will worsen if the strike continues, SNCF and government officials said. The daily cost to the French economy since the strike began was estimated by the SNCF at about 90 million francs ($14 million).

Sharp drops in sales were reported Friday by department stores in Paris, and at hotels and winter resorts which depend heavily on holiday traffic during the holiday period. Many travelers traveled to French resorts via Italy and Switzerland, where bus and taxi services were running.

French newspapers Friday reported that the SNCF had suspended a national advertising campaign that had just begun. Its main theme: "With the SNCF, everything is possible."

Reuters

'WHITE OWNER' — A resident standing guard Friday on the north coast of Natal Province, where Indians have been moving into traditionally all-white neighborhoods. He said he painted warnings on his fence to ensure that no black walks on his land.

Before Iraqi Jet Crash, 20 Minutes of Terror

Reuters

AMMAN, Jordan — Survivors of an Iraqi Airways plane crash told Friday of 20 minutes of terror aboard the airliner before it crash-landed in flames during a hijacking attempt.

A Jordanian, Saleem Dado, said the Boeing 737 plunged Thursday from an altitude of about 28,000 feet (almost 8,600 meters), hit the desert at Arar in Saudi Arabia, broke in two and exploded.

Sixty-two of the 107 people aboard the plane, which had been on a scheduled flight from Baghdad to Amman, were killed.

Mr. Dado, who was traveling in the first-class section, said that after the plane left Baghdad a man about 20 years old came to the front, yelling. Security guards shot him twice, in the right shoulder and in the abdomen.

"Realizing that he was a dead man," Mr. Dado said, "the hijacker opened the cockpit door and hurled a plastic bomb."

He added: "The blast blew out the cockpit door, which fell on the man throwing him flat on the ground. I pressed down his head with my left foot and took away his wristwatch, which I later gave to the authorities."

"There was really a battle on the aircraft, full of smoke so thick you could not see your fingers," Mr. Dado said. "There was no oxygen for the passengers, mainly Sudanese and Egyptians, who cried and shouted 'Allahu akbbar,' " or "God is great."

He continued: "I saw the captain and co-pilot emerge from the smoke-filled cockpit, their faces covered with blood. The plane started going down fast from an altitude of 28,000 feet.

"The aircraft hit the desert sand, there was an explosion, fire engulfed the cabin from the burning engine outside. The steward quickly opened the emergency and released the chute.

"We slipped down and ran away, minutes before the plane, which had broken into two, exploded, spreading debris over an area of 400 meters."

Mr. Dado said that two hijackers were killed in an exchange of gunfire with security guards and two others who were wounded were detained by the Saudi authorities.

Among those on board the plane was Suleiman Arrar, a former Jordanian interior minister.

The Iraqi ambassador to the United States, Nizar Hamdoon, said Thursday night on U.S. television that a Jordanian official aboard the plane had identified the hijackers.

"At least two pro-Iranian people were on board and they hijacked the plane," Mr. Hamdoon said.

Iraq said that "Iranian agents" with Lebanese passports had tried to seize the plane. Its official INA press agency said that they had boarded the airliner in Baghdad after arriving from Yugoslavia.

In Tehran, the Iranian press agency IRNA said that Iran officially denied any involvement. A Foreign Ministry spokesman, quoted by IRNA, said: "We condemn any moves that may threaten the lives of innocent passengers."

In Beirut, an anonymous telephone caller claiming to speak for the pro-Iranian Islamic Jihad group said: "We announce our responsibility for hijacking the Iraqi plane in cooperation with the brotherly al-Daa'wa group."

[The previously unheard-of Revolutionary Work Organization claimed responsibility Thursday for blowing up the plane, United Press International reported from Beirut. The call was made to the Voice of the Nation radio station in West Beirut.]

The caller claiming to speak for Islamic Jihad said that al-Daa'wa, a Moslem fundamentalist group, intended to hijack the plane but not to blow it up. He said that two of the hijacking group had been detained by the Saudi authorities and demanded their release.

Site of crash landing of hijacked Iraqi Airways Boeing 737

UPI

Issue New Ultimatum, Tutu Tells U.S.

Offer Massive Aid, He Says, and Threaten Total Ostracism

By Alan Cowell
New York Times Service

CAPE TOWN — Archbishop Desmond M. Tutu is urging the Reagan administration to institute a new policy toward South Africa: offering Pretoria a choice between extensive financial and diplomatic support for dismantling apartheid, or sharply increased ostracism.

Under such a strategy, Archbishop Tutu said, Washington would sever all telecommunications with South Africa and stop vetoing mandatory United Nations sanctions against the country if its white rulers refused to accept a timetable for change.

Archbishop Tutu, the recipient of the 1984 Nobel Peace Prize and one of the country's best-known campaigners against apartheid, made the remarks Tuesday in an interview at his official residence.

He said he had publicized his proposal in speeches during a visit to the United States last week. But he was issuing the call for the first time in South Africa, where advocacy of economic sanctions is an offense under regulations that went into effect when a state of emergency was declared June 12.

Archbishop Tutu said that the current U.S. policy toward South Africa, known as "constructive engagement," had produced few tangible results.

South Africa has severely restricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.

Among those results, he said, were his success in obtaining travel documents from the authorities and the release of a detained clergyman. "Never," he said, "was so little owed to so great a power.

"The South African government has been aware that it could get away with a lot," Archbishop Tutu said, "because it knew it would be protected from the consequences of its actions by Britain, West Germany and the United States.

"The American government," he asserted, "can still say: 'Here's a timetable, an agenda, for the dismantling of apartheid, and if you are willing to adopt it, we pledge that we will stand by you and try to give you as many guarantees as possible for the minorities in South Africa and also the capital to enable you to build up the infrastructure that you neglected so much.' "

■ Rebels Reported Killed

The South African Defense Force said Friday that it had killed three guerrillas of the outlawed African National Congress in northern South Africa, The Associated Press reported from Pretoria.

CHINA: *Beijing Cracks Down on Protests by Students*

(Continued from Page 1)

bringing the total number of cities that have been involved to about a dozen. Tianjin has a population of about 3.5 million and Nanjing about 2.5 million.

A visitor to Tianjin said that demonstrations there involving two universities had ended but that security was still tight around the universities.

The student in Nanjing said that at least five institutions of higher learning were involved in continuing demonstrations there, including Nanjing University and institutes for the study of medicine, education and civil engineering.

An announcer read on Friday night the new regulations on demonstrations in Beijing in the course of a national television news program. Under the regulations, persons who want to demonstrate have to give the police five days notice of the planned demonstration.

Those applying for permission to demonstrate must inform the police of the aim of the demonstration, the number of people involved, the time, the route to be taken, and the name of the organizer and his profession. The police can then decide to change the time and place of the demonstration, according to the regulations.

Even though government officials have stated repeatedly that citizens have a legal and constitutional right to demonstrate, they have also made clear that they are extremely concerned about the unrest.

People's Daily, the leading Communist Party newspaper, warned in a lengthy editorial Thursday that those who try to stir people up and break away from the party's leadership would never succeed and would "have to eat their own bitter fruit."

The announcement said that it was forbidden to hold demonstrations at the Great Hall of the People, where the National People's Congress meets. Protests are also banned at the leadership compound called Zhongnanhai, near the Great Hall and next to the ornate Ming Dynasty Forbidden City where top government and party leaders have their offices and homes.

The main airport and the Diaoyutai state guest house, where foreign dignitaries often stay, were also declared off limits.

165 Die in Vietnam Floods

United Press International

BANGKOK — Flooding in central Vietnam killed at least 165 people and destroyed hundreds of buildings and tens of thousands of acres of crops this month, the Vietnam News Agency said Friday.

MOOD: *In U.S., Boredom on Iran*

(Continued from Page 1)

nia, Ron Wes agreed that the crisis would play itself out.

"I thought it would explode, like Nixon," Mr. Wes said, referring to the hours of congressional hearings he watched on television this month in his suburban Pittsburgh neighborhood.

"But the thing is, Reagan is too popular because of his movie career," he said. "They will cover it up and forget about it because he only has a couple of years to go."

On a sunny winter day in Palm Springs, the editor in chief of the Desert Sun, James Lycett, wrote it off somewhat differently.

"Apparently there were a considerable number of mistakes made, but they appear to be, right now, mistakes of eagerness and patriotism as opposed to venality and self-gain," said the editor.

In the dark bar of Red Cloud's Palace Lounge, a popular night spot in the town made famous by the author Willa Cather, a state Agriculture Department clerk in a winter jacket said she would not form an opinion "until something is proven.

"But if we were trading arms with the same people that killed all those marines" in an explosion in Beirut in 1983, "that would upset me," she said. "If something like that happened, something ought to be done about it."

Roger Furse, the publisher of the Red Cloud Chief, said, "I'm getting tired of every time I'm driving or I'm hearing the evening news, they're giving me their opinion, when they don't really know."

Mr. Grubb, the Clemson historian, said some faculty members had noted that Watergate also took some time to galvanize Americans outside of Washington. But like most of the Americans interviewed, he resisted comparing the crisis with Watergate.

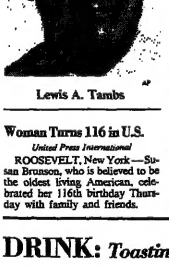
"Watergate was a way to subvert the political process," he said. "This was a way to pursue a lot of foreign policy goals that of necessity had to be done secretly."

Some longtime Pittsburgh observers wonder if the city's historic distaste for Mr. Reagan might have limited any expression of outrage.

One presidential appearance by Mr. Reagan caused a near-riot in the city years ago.

Residents of Palm Springs, where there is more than ample time for debate on the issue and where opinion runs heavily for Mr. Reagan, said that the Iran arms affair has dominated party conversation lately.

"We should brush this under the carpet real quick for the good of the country," said Mayor Frank Bogert.



AP

Lewis A. Tambs

Woman Turns 116 in U.S.

United Press International

ROOSEVELT, New York — Susan Brunson, who is believed to be the oldest living American, celebrated her 116th birthday Thursday with family and friends.

CONTRAS: *U.S. Envoy Is Linked to a Secret Airstrip*

(Continued from Page 1)

sion from Costa Rica to build the airstrip.

It appears possible, sources said, that Mr. Tambs may have acted without State Department authorization, working directly with Colonel North and the White House.

At one point, Mr. Tambs warned Costa Rican officials in Washington not to discuss the airstrip with other American officials, according to the Central American official.

Mr. Tambs unexpectedly announced his retirement, effective in January, shortly after the secret U.S. sale of weapons to Iran and diversion of profits to the contras became public.

State Department officials have repeatedly characterized the contra supply flights as an operation run strictly by private citizens that U.S. embassies in the region were aware of but did not take part in.

Mr. Tambs's reported role in seeking permission for the construction and use of the secret airfield appears to go considerably beyond the State Department's description of the activities of its personnel in the covert system to arm the contras.

According to Costa Rican records and contra pilots, the airstrip was built by Udall Research, a Panama-based company that has since been dissolved. The company reported was closely tied to other companies that administered secret Swiss bank accounts funneling profits from arms sales to Iran and that also set up the covert supply network.

The network was revealed when a rebel plane was shot down over Nicaragua in October.

The companies appear to have been overseen in part by a retired major general, Richard V. Secord, who is a key figure in the Iran-contra arms affair.

Asked if Mr. Tambs's actions had been approved by the State Department, a department spokesman said only that the Costa Rican government had denied that Mr. Tambs had pressed Costa Rica to permit use of the secret airstrip.

In fact, according to the senior Central American official, Mr. Tambs asked at least seven times that the strip be re-opened for use by contra supply planes after the newly elected Costa Rican government of President Oscar Arias Sánchez closed the field in the summer.

A contra official said the secret airstrip had been a "going away present to Tambs" by the outgoing Costa Rican president, Luis Alberto Monge. When Mr. Arias took office in May, Mr. Tambs informed him of the airstrip and asked that it remain in use, according to officials.

Instead, Mr. Arias closed the strip after finding that it may have been secretly used without his permission and in direct violation of a promise by Mr. Tambs that it would be used only with government approval, according to the government official in Central America.

A Costa Rican police investigating unit found 5,000 gallons (about 19,000 liters) of aviation fuel and a barracks large enough to hold 30 men, as well as fresh tire ruts on the landing field, according to a government official. The strip is situated in an isolated stretch of the Pacific coast just south of the Nicaraguan border.

A member of a contra flight crew who was based in El Salvador said the Costa Rican airstrip was intended to become the center of clandestine air supply operations for the rebels' southern front in Nicaragua until Mr. Arias banned all contra military activities in Costa Rica.

In addition to Mr. Tambs, those involved in contra supply activities in the embassy in San José appear to include a top official of the Central Intelligence Agency.

Several telephone calls were made to the CIA official's house and what appears to a CIA office in the embassy from a contra safe house in El Salvador at a time when Colonel Robert C. Dutton was in El Salvador, according to telephone records and rebel flight crews. Colonel Dutton, who is retired, is an associate of General Secord.

DRINK: *Toasting the New Year, Obliterating the Old*

(Continued from Page 1)

Westerners possess to break down alcohol before it passes through the bloodstream. Routinely, these Japanese turn tomato red and start to stumble after drinking as little as a glass of beer.

But Mr. Kono says people here are fooling themselves if they think they are free of worries about alcohol dependency.

In a study that he directed for the Health and Welfare Ministry last year, he estimated that Japan had at least 2.2 million alcoholics among its 120 million people. While the number was well below the 10.6 million people in the United States who are alcoholics, according to the National Institute on Alcohol Abuse and Alcoholism, it nonetheless suggested a steady increase in recent years. According to other government researchers, 20 percent of Japanese drink alcoholic beverages every day.

Despite that, Mr. Kono said, Japan offers little money for alcohol-related research or treatment. Only two national hospitals contain special wards for alcoholics, he said, and altogether, counting clinics, there are fewer than 4,000 beds available for problem drinkers.

Increasingly worrisome for Japanese physicians are "kitchen drinkers," a phrase coined for alcohol-dependent women, many of them bored housewives. Fifteen years ago, women accounted for one of every 36 patients in Mr. Kono's ward. By 1985 the ratio had risen to one in eight.

Teen-age drinking is a growing concern, too, especially a current fad of chug-a-lug sessions in which youngsters drink so fast that they pass out.

The study conducted for the Health Ministry proposed tighter controls on beer and liquor television commercials and on the 162,000 vending machines that dispense alcoholic drinks, most of them on the street. But Mr. Kono said he doubted that action would come quickly.

This is, he pointed out, a country where the expense account is king, where loyal company men are expected to go out several nights a week with co-workers or clients. The National Tax Administration Agency reported the other day that Japanese business spent a record $23.7 billion last year on entertainment for customers — $4 billion more than Japan devoted to defense.

On their nightly rounds, most Japanese leave their cars home, for while public intoxication may be accepted, the authorities have no tolerance for drunken driving.

Actually, many Japanese probably could drive without worry. They often are not as drunk as they appear. But it is incombent on a person to show he is having a good time, and the best way to do that is a display of sliding toward unconsciousness.

There is another advantage in seeming to be inebriated. The Western notion of "in vino veritas" is turned on its head here; no one is expected to be responsible for actions taken while drunk. More than one Japanese has confessed to feigning intoxication when going out with the boss as a penalty-proof way of telling him off.

WORLD BRIEFS

Argentina Sets Limit on Rights Trials

BUENOS AIRES (AP) — President Raúl Alfonsín signed into law Friday a deadline for prosecuting human rights offenses by the former military regime.

The law, approved by the Argentine congress, establishes a 60-day deadline for any additional indictments of military officials, police officers or other suspects for the abduction, torture or disappearance of thousands of people during the rule of rightist military forces from 1976 to 1983. The measure was condemned by leftist political figures and human rights leaders, who said they would challenge its constitutionality.

Courts also would have 60 days to indict any suspects in crimes by leftist guerrilla groups. Guerrilla actions prompted the military to begin a brutal campaign against subversion in the late 1970s. The deadline on prosecutions does not apply to suspects in the kidnapping of children.

Tribal Rebels in India Kill 8 in Family

NEW DELHI (Reuters) — Tribal guerrillas bayoneted a family of eight, including six women and children, set their home ablaze, and tossed the bodies into the flames in defiance of new security drive in Tripura state, the Press Trust of India reported Friday.

About 15 guerrillas of the Tripura National Volunteers launched the attack Thursday night only hours after state authorities called out the army to step up counterinsurgency in troubled areas, Chief Minister Nripen Chakraborty told the news agency.

He said the rebels stormed Kachicherri-dabbari village around midnight. On Wednesday night a group of guerrillas also bayoneted eight villagers, killing four, in another part of Tripura. Hours later police found the mutilated body of a tribesman on a river bank, raising fears of reprisals. The killings brought to 103 this year's death toll from the guerrilla campaign to drive out nontribal, mainly Bengali-speaking immigrants and create an independent homeland in Tripura for tribal people.

Soviet Opens First Solar Power Plant

MOSCOW (AP) — The Soviet Union's first solar power station went into commercial service on Friday in the Ukraine, the official news agency Tass announced.

Tass said the 5,000-kilowatt capacity station was on the Crimea peninsula, but did not specify the exact location.

Few details of the power plant were provided, and it was not clear how soon or how often the station would be operating at capacity.

The Associated Press

15 Die in Ship Accidents Off Iceland

REYKJAVIK (Reuters) — At least 15 crewmen died and three were missing Friday after a British tanker and an Icelandic cargo ship were wrecked in the North Atlantic off Iceland, officials said.

Nine men died and three were listed as missing after the 1,230-ton tanker Syneta, bound for the Icelandic harbor of Reydarfjordur, went aground late Thursday near the port entrance, a coast guard official said.

He also said six men out of a crew of 11 died Wednesday night when the 1,000-ton Icelandic cargo ship Suduriand sank 290 miles (470 kilometers) east of Iceland.

Religious Protest Is Quelled in Egypt

ASYUT, Egypt (Reuters) — The police fired tear gas and used clubs Friday to head off a protest by Moslem militants who are seeking the implementation of Islamic Law in Egypt, security sources said. Witnesses said 20 militants had been arrested.

The sources said at least 1,500 police had been deployed around Asyut, a bastion of Moslem fundamentalists, after security forces received word that the militants planned a show of force after Friday morning prayers. Most shops in the town 350 kilometers (215 miles) south of Cairo closed for the day in anticipation of trouble.

Witnesses said about 300 fundamentalists chanting anti-state slogans had clashed with police after prayers at the al-Rahma mosque. They said the police had used tear gas and had charged the protesters with clubs. Twenty persons were arrested, the witnesses said.

Catholic Church Assailed by Burundi

NAIROBI (Reuters) — Burundi has accused the Roman Catholic Church of misleading Burundian youth and conducting a smear campaign against the Central African country, Radio Burundi said Friday.

The central committee of Burundi's ruling Union for National Progress party, which met on Tuesday and Wednesday, deplored what it called an anti-Burundi campaign by "Catholic church circles abroad," the radio said in a broadcast monitored in Nairobi.

On Dec. 1, the Vatican released the text of a letter from Pope John Paul II to Catholic bishops in Burundi in which he expressed "deep worry" over official persecution of the church in the country. The pope noted that some priests and nuns had been forced to leave Burundi or been imprisoned.

Power Plant in Wales Discharges Oil

CARDIFF, Wales (AP) — Environment authorities carried out pollution checks Friday in the Bristol Channel, a major conservation area for birds and other wildlife, after a power station discharged 8,000 gallons (36,300 liters) of light oil after an explosion.

The blast Thursday at the Aberthaw coal-fired plant on the South Wales coast near Cardiff started a fire and briefly interrupted electricity supplies in the area, the state-run Central Electricity Generating Board said in a statement.

The oil discharged into the Bristol Channel came from the section of the plant housing the transformer. Engineers pumped detergent into the seaway to disperse the oil and limit damage to the environment.

For the Record

Andrei D. Sakharov is in poor health and may need a heart pacemaker, according to his wife, Yelena G. Bonner. "Andrei Dmitrievich needs a checkup and serious medical care and possibly a heart pacemaker," she said, "although I can't speak formally on the subject because I am not a cardiologist." *(Reuters)*

Leftist rebels have killed 11 soldiers in clashes in southwestern Colombia, the Defense Ministry said Friday. It said five guerrillas died in the fighting, which took place Wednesday and Thursday. *(Reuters)*

KOREA: *Crackdown on Labor*

(Continued from Page 1)

Factories and machinery are often old and dangerous, wages low and benefits nonexistent.

While Western diplomats and others who watch South Korean labor say that companies and the government are making efforts to improve working conditions, they are less optimistic about easing constraints on workers' rights to organize.

They point to laws enacted in 1980 that eliminated union shops, circumscribed the right to strike, and limited a union's membership to workers employed by individual companies.

The laws also allowed the government to dissolve unions and banned third parties, such as nationwide union federations or church groups, from intervening in labor disputes, advising local unions or helping them organize, although the government eased restrictions recently on the moderate Federation of Korean Trade Unions.

The laws, according to a U.S. Embassy report on human rights in South Korea, created small, weak unions.

Government officials and employers defend the laws as necessary to prevent the rise of antagonistic unions that would hurt the economy. They say the laws are modeled on the situation in Japan, where unions generally cooperate with management.

Others who monitor South Korean labor, however, say that the laws have weakened moderate groups and defied the rising expectations of workers.

Some labor groups have broadened their demands to include sweeping changes in society.

"In the 1970s, the labor movement tended toward business unionism," said a South Korean pastor active in labor. "But in the 1980s, we found that this kind of business unionism could not really resolve the problems of worker alienation and suffering. People have sacrificed so much, and now they are beginning to question why.

"The basic purpose of the movement is simple — a more equal, democratic nation," he said.

Report Says U.S. Fails To Act on Car Defects

United Press International

WASHINGTON — Automobile defects not dealt with by the Department of Transportation during the past six years have led to 500 deaths, 7,000 injuries and 20,000 traffic accidents in the United States, according to a consumer group.

The Center for Auto Safety said Thursday that one of every five cars sold in the United States in the past eight years had been subject to a federal recall request that was not acted upon by the manufacturer.

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Dole Gains Limelight In Iran-Contra Crisis

Senator's Take-Charge Performance Could Boost His Presidential Chances

By Helen Dewar
Washington Post Service

WASHINGTON — Once again, Bob Dole, the Senate Republican leader, was bathed in the limelight of the Iran-contra crisis as he appeared last week with the Democratic leader, Robert C. Byrd, to announce members of a Watergate-style committee to investigate the affair.

Has not the seemingly endless trauma destroyed the Republicans' chances of keeping the White House in 1988, a reporter asked. Without missing a beat, without contesting the premise of the question that his pursuit of the nomination was worthless, Mr. Dole smiled and said, "I'll take it."

It was vintage Dole: a glib quip to escape a pertinent observation that might entrap a less agile politician. But it also helps paint a picture of Mr. Dole as he wants the world to see him — a buoyant, confident take-charge leader who can make the best of adversity.

Whether it also evokes an image of an overly ambitious politician climbing "over the corpse of a popular president," as was suggested by an aide to Representative Jack F. Kemp, Republican of New York, is a matter of debate among Republicans and Democrats. Mr. Kemp is a rival for the 1988 presidential nomination.

Scarcely a day has passed without Mr. Dole appearing on television or on newspaper front pages, sometimes defending the president, sometimes distancing himself from administration "mistakes," sometimes doing both in virtually the same breath.

While Vice President George Bush has done his best to avoid the limelight and Mr. Kemp has tried unsuccessfully to gain a share of it for his more unequivocal support of the administration, Mr. Dole has stolen the show as a one-man, all-purpose, damage-control operation.

Polls and political strategists indicate that, partly because of his recent highly visible performance, he has moved within striking distance of Mr. Bush in early maneuvering for the nomination, in a good position to pick up the pieces among mainstream Republicans if Mr. Bush becomes too deeply embroiled in the controversy.

But some strategists question whether he can continue this high-wire act without taking a tumble.

Mr. Dole's political gain from the affair is borne out by a poll taken from Dec. 9 to 11 for U.S. News & World Report magazine.

Among Republicans and independents, it showed Mr. Dole closing in on Mr. Bush and far outstripping Mr. Kemp as the favorite for the Republican presidential nomination: 25 percent for Mr. Bush, 20 for Mr. Dole and 11 for Mr. Kemp. Among Republican respondents alone, Mr. Bush won 29 percent, Mr. Dole 20 and Mr. Kemp 9.

Over the last three weeks, Mr. Dole's outflow of advice, some solicited and some not, has been dizzying. He called for a special session of Congress to create a select investigating committee. He proposed a meeting of major allies to "lay all the cards on the table."

He embraced suggestions for a special board to review national security operations, a special prosecutor and a special legal adviser within the White House.

He urged President Ronald Reagan to lay out the whole story and to prevail on the former national security adviser, Vice Admiral John M. Poindexter, and on Lieutenant Colonel Oliver L. North, both critical figures in the affair, to do the same.

While praising Mr. Reagan's action to clear the air, Mr. Dole has leaned on him to do more. He has invoked the specter of the Watergate scandal, which led to the resignation of Richard M. Nixon, but also has suggested that the Iran-contra affair may be overblown.

He once said that "the White House should "let a couple of wagons go over the cliff" but has stoutly refused to join the bipartisan chorus of demands for the dismissal of such top figures as the White House chief of staff, Donald T. Regan, and the CIA director, William J. Casey.

Mr. Dole said he doubted that anyone would believe that Colonel North had acted alone while Admiral Poindexter looked the other way, but he has aggressively defended the administration against charges of higher-level complicity.

Some of his ideas have been adopted. Both the Senate and the House are planning select committees, but his proposals for a special session of Congress and a joint House-Senate investigating panel were rejected.

The notion of a conference with U.S. allies raised eyebrows but little interest, an example of how Mr. Dole can go too far and undermine his advantages, a friendly critic said.

General Regalado did not specify the targets he had in mind. But he said that any such attack would not be related to the dispute between the Sandinists and the Nicaraguan rebels, who are known as contras.

"I know the Nicaraguans are having trouble with the contras in the border region," he said, "but this does not give them the right to violate our territory."

Military analysts in the region agree that a Honduran attack in the Nicaraguan interior would constitute a major increase in the violence in Central America. But diplomats in Managua and Tegucigalpa say they doubt that Honduras would carry out the sort of attack suggested by General Regalado.

Honduras and Nicaragua, it is generally agreed, deal with each other with great caution. Honduras is the most powerful air force in Central America and Nicaragua has the largest ground force.

The Sandinist government also is known to be especially concerned that it not provide the United States with an excuse to invade Nicaragua on the pretext of coming to the aid of Honduras.

A U.S. diplomat in Managua said that the air attack on Dec. 8 probably had been undertaken more for the satisfaction of Honduran national honor than as a signal of direct Honduran involvement in the struggle between the Sandinists and the contras.

In giving details of the decision to attack the Sandinists, General Regalado said that reports had been received in Tegucigalpa that about 250 Sandinist soldiers had overrun 20 Honduran troops manning border posts near Maquingales.

The two sides disagree over where the air strike took place. Nicaragua asserts that the attack was on its territory in the vicinity of the remote villages of Wiwili and Murra. Honduras says its air force stayed within its own borders and bombed around Maquingales.

Cliff Owen/Associated Press International

FORGET THE MERRYMAKING — Lawrence B. Gibbs, the Internal Revenue Service commissioner, with an enlarged version of the 1040 tax return form. The IRS began sending out 85 million tax forms Friday.

AMERICAN TOPICS

Scruples Don't Pay, Contractor Discovers

Awarded a $16,143 contract as the low bidder to replace window screens at the U.S. Marine Corps base in Quantico, Virginia, W.G. Burnette said he inspected the site afterward, saw that only a few new screens were needed, and told the contracting officer he could do the job for $200. He then sent the contract back unsigned.

"It would have been just like stealing if I had taken that job, and I told them I wouldn't do it," said Mr. Burnette, a contractor in Dawsonville, Georgia. The government later sued him for $1,215.89 for the delay and expense involved in hiring another contractor. Mr. Burnette, acknowledging that he is technically liable, said he would pay the $1,215.89.

But he also wrote to Defense Secretary Caspar W. Weinberger. A public affairs officer for the Marines said that the matter is being investigated. A spokesman for Sam Nunn, Democrat of Georgia and the incoming chairman of the Senate Armed Services Committee, said that the senator is likely to look into the case.

Short Takes

A rise in state prison populations, from 262,000 overall in 1979 to 382,000 in 1984, reduced the cell space for each inmate by 11 percent despite construction to allow extra space, according to the U.S. Bureau of Justice Statistics. The typical inmate of one of the 694 American state prisons occupied 57 square feet (5.3 square meters) of housing space in 1984 and spent about 11 hours a day confined to a cell. During the same 1979-84 period, states hired 35,000 additional guards, pushing the nationwide total above 90,000 and changing the staffing ratio from 4.6 inmates per guard to 4.1.

A full-page advertisement by Manny Azenberg, the producer of Neil Simon's well-received play in New York, "Broadway Bound," ran in The New York Times, listing critics who praised the new show in small type at the bottom of the page. In large type at the top, the ad said, "Every drama critic said it, but perhaps Time magazine said it best," and it included a quote from Time's critic, William A. Henry 3d. Apparently, some of the other critics objected. The producer canceled a rerun of the ad and sent telegrams of apology to all of them.

Brown-Forman Corp. has agreed in an out-of-court settlement to pay a "substantial amount" to the family of a General Electric Co. executive, Don E. Payton, 61, who was killed last summer by a car driven by an executive of the Louisville, Kentucky distillery. Donald James, 54, was charged with murder after the police determined that the alcohol level in his blood was twice the legal limit. It was believed to be the first time that a major distiller has agreed to settle a lawsuit arising from an alcohol-related death.

A perfect 1600 on the Scholastic Aptitude Test was scored by only nine high school pupils among the 1.7 million who took the test this year. One of the nine, James West of Columbia, Missouri, said, "I think the only way to do that sort of thing on the SAT is not to take it seriously. If you take it seriously, you get flustered and you start making mistakes." The 17-year-old's hobbies include war games and reading science fiction, political science and philosophy.

Ritchie Alegre, 6, may have received the ultimate toy: a genuine, 35-ton, World War II Sherman tank in working order. He had been asking for one for two years when his father, Dick, 57, a Settecy, California, avocado farmer and apartment-house owner, saw one advertised in a used-airplane magazine. Mr. Alegre won't say what he paid for it, but the going price is up to $70,000. He, Ritchie, and Ritchie's 10-year-old sister, Deborah, drive the tank around the farm near Los Angeles. Said Mr. Alegre, "I can't tell you what a ball we've had with it."

Bettmann/UPI

Ronald Reagan
The envelope, please

This parable about the Iranian arms sales crisis is related by The New York Times: "As he left office, Jimmy Carter gave President-elect Reagan three envelopes to be opened only in a crisis. When his popularity plummeted during the 1982 recession, Mr. Reagan opened the first and found this message: 'Blame me.' He did and his popularity revived. When the soaring deficit cost him popularity in 1984, he opened the second envelope. 'Blame Congress,' it said. He did, and won re-election by a landslide. Last week, shaken by the present crisis, he opened the third envelope and read this message: 'Prepare three envelopes.'"

—ARTHUR HIGBEE

Honduran General Warns Sandinists

By Bernard E. Trainor
New York Times Service

TEGUCIGALPA, Honduras — The commander of the Honduran armed forces says that if Sandinist troops violate Honduran territory again, Honduras will consider a retaliatory air strike deep inside Nicaragua.

Earlier this month, the Honduran Air Force bombed Sandinist positions after Nicaraguan troops and rebels clashed in the border region. Honduras asserted that the fighting took place on its territory and Nicaragua maintained that its forces did not violate the border.

The commander, General Humberto Regalado Hernández, said Thursday that the Honduran attack on the Sandinist positions on Dec. 8 was in self-defense.

If the Nicaraguans repeat their violation of Honduran sovereignty, he said, he will recommend to President José Azcona Hoyo that an air strike be carried out deep into Nicaragua.

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In Texas, Many Discover, the Bloom Is Off the Rose

By Robert Reinhold
New York Times Service

HOUSTON — Richard Keating recalls with wonder those hectic days after he first moved to Houston from Chicago as a young architect in 1976. Those were days of wild Texas growth, when a 20-story building was a small job, when he and his young colleagues often worked all night, fueled on take-out pizza and the sheer excitement of building a dazzling new city.

A few months ago Mr. Keating transferred to Los Angeles to take over the busy Skidmore Owings & Merrill architectural office there. Departing with him were about a dozen other architects from the Houston office who, he said, felt that they "want to go where the action is."

The group is in the vanguard of a growing exodus of professionals — architects, lawyers, writers, scholars, bankers — from Texas as its oil economy slows. They are part of a demographic shift under which, for the first time, more people are moving out of Texas than into it.

Many of them had been "carpetbaggers" from the North who came with high hopes and promises of becoming bright stars in the Texas firmament. Many succeeded wildly in a booming state that for all its suspicion of outsiders was remarkably open to them.

But now the possibilities seem much more limited. While it would be an exaggeration at this point to call the trend a brain drain, the shift is enough to stir anxiety at a time when Texans are realizing that their future lies not in exploiting oil and other natural bounty but its intellectual resources.

"Educated people are a critical part of our infrastructure," said Harold Gross, assistant director of the Center for Enterprising at Southern Methodist University in Dallas. "As we begin to lose those people, whether newcomers or native Texans, it represents an erosion of that infrastructure that may prolong the turmoil Texas is going through. It's absolutely critical to keep them."

However, it is by no means a one-way flow. The biotechnology concerns springing up in San Antonio, Houston and Dallas are importing talent. Two top eye doctors at the Baylor College of Medicine here, Dominic Man-Kit Lam and Jared M. Emery, have founded Houston Biotechnology Inc. to market an anti-cataract drug and other medical products. The company has drawn recruits from California and the East.

In a very different realm, Richard Howard, a Pulitzer Prize-winning poet who lives in New York, recently signed a contract to spend every fall semester for the next five years teaching creative writing at the University of Houston.

Still, the quickening consolidation of the state's troubled energy and banking industries, along with the problematical future of the space shuttle, are likely to add to the departures.

Recently, two Dallas-based bank holding corporations, the RepublicBank Corp. and the InterFirst Corp., agreed to merge. With the merger, 3,000 jobs were expected to disappear.

The professionals who have left cite complex reasons: partly economic, partly personal, partly a feeling that Texas's great day in the sun is over.

One of those who came in with Texas' high tide in 1981 was Joseph Nocera, who became one of a galaxy of star writers who made Texas Monthly, a magazine based in Austin, a publication of national stature. He was from Providence, Rhode Island, and his wife, Julie Rose, a former diplomat, was from Delaware.

Once he broke through Texans' natural suspicion of Yankees, and acquired a bit of a twang, he came to love writing about colorful Texans. "My God, the people in Texas seemed so real compared to the politicians I'd been interviewing in Washington," he said.

But recently, Mr. Nocera, along with several of the magazine's writers and editors, left. He took a job in Massachusetts, as executive editor of New England Monthly, founded by two alumni of Texas Monthly.

"Ultimately there was no compelling reason for me to stay in Texas," he said. "My roots were in New England. The tug of the East was far stronger than any roots I may have put down in Texas."

Clinton A. Phillips, dean of faculty at Texas A&M University in College Station, said, "We are begging to see folks leave. They tend to be full and associate professors, and highly successful."

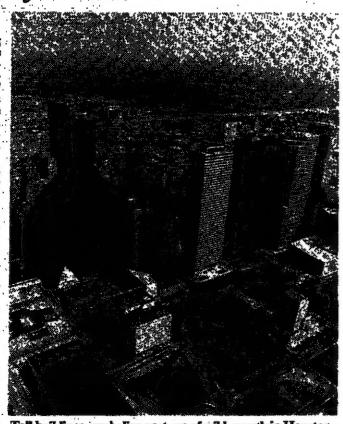
While there has been no huge exodus from either A&M or its rival, the University of Texas at Austin, both schools say they are having trouble recruiting top scholars.

"It's virtually impossible to recruit anyone in the liberal arts in a senior position — right now nobody wants to look at Texas," said Robert D. King, dean of liberal arts on the Austin campus.

Apart from oil people, probably no profession has been harder hit than architects. With most Texas cities vastly overbuilt, construction is almost at a standstill. It is a far cry from what Mr. Keating, of Skidmore Owings & Merrill, found when he came here.

In his decade in Houston his office put up more than 30 million square feet (2.8 million square meters) of office space. "None of us realized what we were living through," he said. "Week after week somebody talked to us about a 50- to 60-story building. It seemed rather minimal when someone wanted to do only a 20-story building. In the late '70s, I realized there were more architecturally significant new buildings in downtown Houston than all of New York."

Mr. Keating said the Houston office had been able to get along on out-of-state projects and interior design. He said his departure had to do in part with the company's needs in its Los Angeles office. But he acknowledged, "If you look across the board, there's not much going on in Houston."



Tall buildings symbolize past era of wild growth in Houston.

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Indonesia	U.S. $	290	83
Japan	U.S. $	314	94
Korea	U.S. $	40a	106
Malaysia	U.S. $	198	59
Nepal	M.$	445	120
New Zealand	U.S. $	243	64
Pakistan	U.S. $	290	78
Philippines	U.S. $	192	52
Singapore	U.S. $	290	78
Sri Lanka	U.S. $	280	72
Taiwan	U.S. $	253	71.50
Thailand	U.S. $	210	57
Other Asian	U.S. $	290	65
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OPINION

Trying to Awaken Europe

Valéry Giscard d'Estaing and Helmut Schmidt piloted France and West Germany through difficult waters in the 1970s without losing sight of the broader European ambitions that had brought them together. So it is no surprise when they combine again to resuscitate the concept of European monetary union. Rather than an effort by elderly performers to return to center stage, this is timely action to revive an idea which, like so many, was launched ahead of its time.

Monetary union envisages a truly unified marketplace for the exchange of goods and services inside the Community. Goods would circulate as freely as in America. So would labor and capital. Exchange rates would be fixed and Europeans would be free to decide, untrammeled by governments, where to make their purchases or invest their savings. Industry would set up where it pleased. The advantages of thus allowing economic resources to be used where they were most profitable, rather than where they were most useful to politicians, would seem enormous. Technology gaps between Europe, with its splintered small-scale market, and America and Japan would shrink. The world economy would strengthen as Europe became less inert.

Too little of this has been put in place during the Community's 30 years. The easy trade barriers have been reduced, but not the difficult ones, particularly in farm products. Some stability between exchange rates has been achieved despite the potentially destabilizing effect of the volatile dollar. And some sort of common currency has emerged in the form of the ECU, in which financial investments and trade transactions can be denominated with a consequential reduction of risk — and traveler's checks issued.

The trouble with meaningful monetary union in Europe is that it would require clear avowal by inward-looking governments that their monetary and fiscal policies had to be integrated; that they could not attempt to protect themselves, when things went wrong, by trade and capital controls or by parity changes; and that they would have to set up some sort of communal central bank to ensure, as the Federal Reserve does in America, that financial conditions stay roughly in line. It is this last need which makes Europe's allegedly independent governments choke with fear. No single country could control the communal bank. Finance ministers would be unable to dictate to it, for electioneering purposes. Or, worse, they might — with predictable consequences for the war against inflation. But these fears suppose that individual European countries today have an important degree of financial independence which they would be sacrificing. The facts hardly bear this out.

The problems are not insoluble. The way Europe is going today promises little solution at all, even though the trumpets are sounding for a small breakthrough against profligate support for inefficient farmers. It has not been Europe's year — and last year wasn't either. If the Community is to turn from its tawdry squabbles toward the aims of the founding fathers, and attract the young rather than simply depressing the old, the Giscard-Schmidt initiative should be welcomed.

INTERNATIONAL HERALD TRIBUNE.

Foreign Aid Needs Fixing

The U.S. government has published the foreign aid allocations for this fiscal year. Of the $13.6 billion total, two-thirds is now military or related to national security (so-called economic support funds). Nearly 40 percent goes to just two countries, Israel ($3 billion) and Egypt ($2.1 billion). Egyptian aid has been tied to Israeli aid since Camp David. The Israeli aid is kept high, in turn, not merely by that country's special history and needs but by its political constituency in the United States; that is the motor that makes the whole aid program go.

The administration wanted the aid total to go up $1 billion from last year; Congress, as part of the general budget cutting it was obliged to do for want of a tax increase, took it down $1 billion instead. But within the total, the amounts for Israel and Egypt were increased; Congress stipulated their shares, without protest from the administration, which then also moved to protect the aid levels around which its Central American policy revolves. The result is that purely humanitarian and developmental aid and aid to less well positioned recipients — African and Caribbean countries, even the Philippines — were doubly cut.

Other policies have magnified the imbalance in the distribution of aid. On the same day the aid figures were announced, the government, seemingly unaware of the irony, announced next year's sugar import quotas. For needy producing countries, the right to sell sugar in the protected U.S. market is an auxiliary form of aid, but to propitiate domestic producers the sugar quotas, too, will be reduced. Again the Philippines and Caribbean islands are among the major losers. The protectionist sugar program should be dismantled.

There is something fundamentally wrong with a system in which aid is spread this way. Each program has its imperatives; an argument can be made for each, standing alone; but their combination is insupportable, and that is what the world perceives. It is time to re-examine the tilt toward military aid and the related tilt toward Israel and Egypt. The administration says the solution is a larger aid appropriation. But at which other program's expense would this come? What is needed is not greater volume — the total is up by a third in the Reagan years — but a different distribution.

□

As American foreign aid is increasingly bent to military and strategic purposes, the money for pure economic development is being severely squeezed. That makes the World Bank more important than ever. In a notable change of policy, the Reagan administration is now supporting an increase in aid, through the World Bank, to the poorest of the poor countries.

The World Bank does most of its development lending at no cost to the governments that are its members and patrons. It borrows in the financial markets at low interest rates, because it is backed by the richest countries' credit, and it lends to the Third World. But some countries are too poor to borrow on these terms. For them the bank has set up the International Development Association to lend at very low, subsidized rates in the areas of most desperate poverty. For the IDA, however, the donor countries have to put up actual cash.

When Ronald Reagan came to power, IDA lending was running $4 billion a year. Full of ideological zeal and hostility toward the World Bank, the Treasury — under Donald Regan, now the president's chief of staff — pushed it down to $3 billion a year for the funding cycle now ending. This month the donors — led by another American secretary of the Treasury, James Baker — proposed to raise it to slightly more than $4 billion for each of the next three years.

That is splendid — but so far it is only a proposal. Can Mr. Baker persuade Congress to appropriate the money?

There are several points that he can make. The first is moral. IDA loans go to countries in which economic output per person averages about $300 a year, compared with $17,500 in the United States, and where infant mortality rates run eight or nine times as high.

Another point to emphasize is equity. As other countries get richer, the U.S. share of the burden is dropping. Japan is now giving nearly as much as the United States.

Above all, Mr. Baker can tell Congress that IDA loans are effective. Since the IDA began lending in the early 1960s, 27 of its beneficiaries have prospered on such a scale that they are no longer eligible for its loans. Two, South Korea and Colombia, are now donors. Until now most of the loans have gone to South Asia, but with economic growth there the need in India and Pakistan is becoming less urgent. Nearly half of IDA loans in the next several years will go to Africa south of the Sahara. That is the one region of the world in which living conditions have substantially worsened in the last decade. If Americans seriously want to help Africa, the IDA is their best bet.

— THE WASHINGTON POST.

Other Comment

Prime Minister vs. the Press

As he left Orly airport, where he had just welcomed Aurel Cornea, Prime Minister Jacques Chirac attacked "irresponsible people" who, by "talking constantly about ransom" had almost "wrecked the release of Cornéa" after allegedly preventing that of Jean-Louis Normandin. He was obviously alluding to specific journalists and newspapers — including Libération, which his staff had already threatened to sue after we published an investigation into the conditions in which the release of Philippe Rochot and Georges Hansen was negotiated. That threat has yet to be carried out.

It is no secret that releases of hostages come with substantial payoffs to the kidnappers, in addition to the "political" (and financial) terms negotiated in "state-to-state" talks, as the diplomatic formula puts it. Difficult negotiations, we don't doubt it. To each his job, and his responsibilities.

We assume ours. But does it need recalling that last June, after the release of Mr. Rochot and Mr. Hansen, the same people who accuse us today were assuring us that there was no deal and that all the hostages would be released, at the same time and together, before the end of the summer? Who made irresponsible statements then? Anyone can make a mistake. But to accuse the press today of preventing the release of Jean-Louis Normandin, as the prime minister does with incredible carelessness and without the slightest evidence, is not only unacceptable. Talk about irresponsibility.

— Libération (Paris).

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Our Intellectuals Aren't Doing Their Job

By Flora Lewis

CAIRO — In this region, where three great religions were born, the issues of faith and promise are again stirring societies. They are not simple issues, long settled, because religion is about how men and women behave toward each other as well as about belief in relations to God.

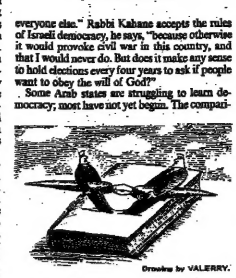
Change has been coming at a rate never known in human history, and it imposes over new demands. The changes are welcome for what they bring in well-being, health, protection from the rigors and cruelties of nature. But they are frightening for what they bring in uncertainty and challenge. And so they create new questions in everyday personal and social life, and questions about the role of religion.

Fundamentalism has regained vigor in Christian and Jewish as well as in Moslem societies, often in response to these pressures. It is an insistent and exclusive form of faith at odds with other traditions, at least as strong, in the three religions. President Hosni Mubarak of Egypt has included a reminder of this in a message to a Moslem conference in California, calling for "adherence to the tolerant principles of Islam and to the spirit of benevolence and peace pervading the preachings of Islam and all religions."

Moslems are being pushed by the fundamentalists' call for a return to unquestioning obedience to rigid orthodoxy. It is presented as a return to roots, to the wellsprings of a vanished golden age that can be regained by rejecting what is seen as alien influence and impurity.

There is not a great difference between Rabbi Meir Kahane's ideas of what a Jewish state should be and those of the Islamic republicans. Both oppose secular modern society. "Zionism and democracy are incompatible," he proclaimed, "because Zionism was to establish a Jewish state and not a state with equal rights for everyone else." Rabbi Kahane accepts the rules of Israeli democracy, he says, "because otherwise it would provoke civil war in this country, and that I would never do. But does it make any sense to hold elections every four years to ask if people want to obey the will of God?"

Some Arab states are struggling to learn democracy; most have not yet begun. The compatibility of Islam with democracy is another question cannot be carried too far. Still, there is a similar claim to a right to command a way of life, all aspects of life, based on a divine inspiration that provides knowledge of all that man needs to know. The claim would leave no vacuum, and that is the basis of its appeal.



Drawing by VALERRY.

For there is a vacuum in today's world of ideas. An Egyptian professor, Ali Dessouki, speaks of a "vacuum of ideology," especially among students in his country.

There is some nostalgia for the exhilaration of the late Gamal Abdel Nasser's nationalism, and some zealous planning to complete the establishment of Marxism. But both have failed to pass the test of historical experience. Neither nationalism nor communism has anywhere cured society of ills or delivered its vision of utopia. Both are fading, and in Moslem lands both can be seen as Western ideas unsuitable for assimilation.

No other modern thought has been offered for systematic belief. Capitalism is just a method of organizing production, bringing together the essential elements of management, labor and material as effectively as possible. Democracy is a process for accommodation, renewal, correcting mistakes that people are bound to make and adjusting to circumstance. It offers the most decent way for societies to find answers, but it does not guarantee right answers beforehand.

So people who ache from confusion and yearn for certitudes turn to old prescriptions, hallowed by custom but no more assuredly divine than a new spark, a new sense of the miracle and wonder of life. Fearful of the future, confounded by the present, they seek refuge in the past.

This is a massive failure of contemporary thought, of modern intellectuals. For decades, too many have been narcissistic, particularizing their private discomfort when their job is to articulate the needs and hopes of their time.

Medieval prescriptions will not solve problems of the 21st century, but neither will resignation to drift or retreat into the vastness of the solitary psyche. There is a vacuum of spirit that requires conscious effort to show the joys of learning and the marvel of the unknown, to educate and explain why doubt exists so that hope can flourish. That was the task of the early sages. It is the task for now. Faith is necessary and irrepressible, but without a message of wisdom and humility in human affairs, it can turn vicious.

The New York Times.

He Wasted A Chance to Slow Down

By Tom Wicker

NEW YORK — Headlines about the Reagan administration's crisis of leadership and direction have been so thick that the passing of another arms control opportunity was too little noticed or mourned.

On Dec. 18, Soviet officials said they would not continue the nuclear testing moratorium they had maintained for 17 months. A White House spokesman replied almost insolently that that was "their business."

Again this unreliable president deliberately misled the public or didn't know what he was talking about.

Well, it is also the business of a lot of Americans who want a reduction in the danger of nuclear war, not just between the superpowers but among the numerous other nations that either have "the bomb" or can quickly develop it. These Americans believe, with a power of evidence on their side, that a nuclear test ban would be a useful step in the right direction.

It was presumptuous for that spokesman to assert as if it were fact that entering the moratorium "is not in the security interest of the U.S. or our . . . allies." He must have known that a number of allies favored the moratorium and believed it could lead to a permanent ban on testing; and that the clear weight of scientific opinion in America favors a test ban.

No administration official has explained why the moratorium was opposed to U.S. security interests, since the Russians conducted no tests for 17 months and the United States could have detected it if they had. Mr. Reagan asserted at first that the Russians had conducted a number of tests just before they began the moratorium, but officials of his own administration have disowned the statement — another instance in which this unreliable president misled the public deliberately or did not know what he was talking about.

Mr. Reagan stayed out of the moratorium because he wanted to keep on testing; he ordered at least 20 explosions underground while the Russians observed the moratorium. Some administration officials conceded that they wanted to keep testing in order to develop new weapons — for example, the X-ray laser that would be a vital component of Mr. Reagan's "star wars" scheme.

On the eve of the Iceland summit, however, Mr. Reagan wrote to Barry Goldwater, the Republican chairman of the Senate Armed Services Committee, to say he was "committed to the ultimate attainment of a total ban on nuclear testing" and was "determined to take practical steps in the near future toward this goal."

That cynical letter clearly was a stalling device aimed at congressional defeat of an amendment that had passed the House, 234 to 155, and would have withheld funds for nuclear tests above the yield of one kiloton for a year starting Jan. 1, 1987. With the summit about to open, the Reagan letter had the desired political effect. The amendment was killed.

As for those "practical steps in the near future," Mr. Reagan told Mr. Goldwater that he would submit to the new Senate for ratification the long-withheld Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty — but with "an appropriate reservation . . . that would ensure they would not take effect until effectively verifiable." That makes ratification all but meaningless, since the administration claims the treaties are not now "effectively verifiable," and since Moscow has refused to renegotiate them.

But Mr. Reagan — especially after having shot himself in the foot with his Iranian arms dealing — may no longer be a free agent on nuclear testing. Already 130 members of the House, including a few Republicans and such influential Democrats as Chairmen Lee Hamilton of the Intelligence Committee, Les Aspin and Thomas Foley, the new majority leader, have written the president urging him to stop testing and start negotiating for a test ban.

In the background, congressmen are already discussing another appropriations amendment, modeled on last year's, to deny funds for nuclear tests of military value. Such an amendment will get a more sympathetic hearing in the newly Democratic Senate and will be opposed this time by a president severely weakened, not just by the Iran scandal but also by the scandalously botched negotiations at Reykjavik.

The New York Times.

For Multiracial Democracy, Back the Natal Option

By Charles Krauthammer

WASHINGTON — Just a few months ago, Washington was prezing itself on the question of South African sanctions, a moral issue, to be sure, but hardly a central one to the drama unfolding in South Africa. Today Washington is wholly absorbed with the question of a mere 10 to 30 million of the ayatollah's dollars. That leaves very little moral room for the series of earthquakes that have just hit South Africa.

On Dec. 11 the government imposed Soviet-style press censorship and launched a sweep against political opponents. Unfortunately, the crackdown coincided with the cresting of l'affaire North. It had trouble making the evening news in America.

This came a few days after a most extraordinary event in Natal. After an eight-month parley — an *indaba* — representatives of black, white and Asian communities agreed on a formula for multiparty democracy with universal suffrage. In effect, the Natal proposal guaranteed a black-ruled province with a black prime minister.

If implemented the proposal would establish a powerful model for the rest of South Africa. Natal has a quarter of South Africa's population.

Radicals of all stripes were not pleased. The Afrikaner government, which does not countenance alternatives to white rule over all of South Africa, rejected the plan within 48 hours. President Pieter Botha denounced it as a "typical Westminster system," i.e., parliamentary democracy — one person, one vote.

The African National Congress boycotted the indaba from the start. The ANC does not countenance alternatives to absolute black rule over all of South Africa. Moreover, the black leader with the best seat of the car, sandwiched between two armed Russians, I was thrown into an empty, windowless cell with a concrete floor. I stayed there for 15 hours without food or water.

When the door finally opened, two Russians and an Afghan entered and began to interrogate me. They accused me of working for the Central Intelligence Agency and ordered me to talk. When I protested and pleaded my innocence, I was punched, kicked and slammed into the wall. Additional denials were followed by more blows. Then they began to grind their lit cigarettes into my face. Two hours later, they stopped and left me lying on the floor.

My first portion of food came 24 hours later: a piece of bread and a small bowl of soup. For the five days I was locked in the cell, the only visitors I had were my torturers, who came at midnight. On the sixth day, I was taken to Pule Charkhi prison. My cell was a five foot square (2.3-square-meter) box, with no windows or ventilation. It was to be my home for 10 months.

Beatings, electric shocks, cigarette burns — these were the techniques of my captors. Weak prisoners were tortured for one hour at a time, always at night; stronger prisoners underwent two-hour sessions. Each type of torture left its mark. From the beatings, my body was bruised and inflamed, and at times my torturers left me with a mouthful of blood. From the cigarettes, my skin was burned and blistered. As a result of the electric shock, my hair, including my beard, began to fall out, while my skin was sometimes burned at the points where they attached electrodes.

Once, when I was taken to the bathroom, I found a note tucked behind a mirror: "Dear brother, they've taken my cell mate away and he hasn't returned. They've tortured him to death or shot him. Watch yourself, and please leave this letter for the next person to read." That night, I heard a prisoner arguing with a guard. The argument ended with a single gunshot.

Approximately every two weeks, we were let out into a courtyard for half an hour. We were forbidden to talk or to look at the other prisoners, but from a glimpse it was clear that the other prisoners, too, were being tortured: their clothing was bloodstained and ripped.

At the end of the first month, my family located me. Their persistent pressure on the military authorities led to my release nine months later.

Although I am now free, thousands of political prisoners remain behind — more than 10,000 in Pule Charkhi alone. Some have died under torture.

Stories like mine are not uncommon. Some of my fellow prisoners believed that God would rescue them. Others looked to the outside world for help. I believe that international pressure — from individuals, governments and organizations — can stop human rights abuses. Torture flourishes in secrecy. The torturer's allies are silence and apathy. On the seventh anniversary of the Soviet invasion, the world has a moral obligation to speak out for those who cannot.

This has been adapted from The New York Times.

'Stories Like Mine Are Not Uncommon'

The writer is an Afghan refugee whose name is withheld to protect a family still in Afghanistan.

I AM neither a writer nor a historian but a victim of torture who was forced to leave Afghanistan, which the Soviet Union invaded on Dec. 27, 1979.

That evening, the blue skies of Kabul were blackened by bombs and missiles. Nine hours later, the fighting died down and the leader of the new regime, Babrak Karmal, addressed our nation. Two days later, the KGB began establishing secret prisons.

President Karmal declared that all political prisoners would be freed. But even as a Soviet camera crew filmed the release of inmates from Pule Charkhi prison, the largest in the country, a new generation of political prisoners were escorted in through a different door.

It Looks Like an Oil War Against Iran

By Edwin S. Rothschild

This is the second of two articles.

WASHINGTON — From June through August 1985, executives of Exxon, Chevron, Texaco and Mobil — partners in Aramco, the U.S. joint venture that leases Saudi oil and has often been used as an arm of U.S. foreign policy — were reportedly huddling with Sheikh Ahmed Zaki Yamani and other Saudi officials, looking for a way to increase Saudi production and ensure substantial profits to the companies that would have to sustain lower profits on their crude oil production.

On Sept. 11 1985, Sheikh Yamani announced in London that Saudi Arabia would increase production. He said the kingdom was prepared, as U.S. Energy Secretary John Herrington had suggested two months earlier, to increase output to 9 million barrels a day. Sheikh Yamani, although he privately disagreed with this "price war strategy," warned that prices (which had been above $25 per barrel) could fall to $18.

In March 1986, when it looked as if the price decline was stalled, the Aramco companies met with Saudi officials and reportedly demanded additional price discounts. These discounts gave the Aramco partners the lowest priced crude in the market, enabling them to raise Saudi production from 4 to 6 million barrels per day by August and to drive world oil prices down below $10 per barrel.

Worried that the oil price drop would spur Iran to attacks on the Gulf oil states and anger U.S. producers, the administration sent George Bush to the region in April to reaffirm U.S. political, economic and military commitments. After a 2½-hour meeting, King Fahd and the vice president agreed on a need to restablish stability in the oil market.

The sharp decline in prices had a profound effect on Iran. Oil revenues of $16 billion in 1985 fell to $6 billion in 1986. Gasoline had to be rationed. Unemployment soared, and with it social and political discontent.

As Robert McFarlane was ending his May visit to Tehran, where he reportedly was asked to help Iran obtain higher oil prices through Washington's connection to Saudi Arabia, King Fahd stated on June 2 that prices would stabilize at $20. The next day the chairman of Chevron made a similar announcement.

□

While the Reagan administration has repeatedly insisted that its oil policy is guided by reliance on market forces, a darker interpretation is suggested by the incidents cited above. At the very least, these meetings, statements and activities raise a number of disturbing questions.

Did the Reagan administration, between February and August of 1985, encourage, persuade or, with a "wink and a nod," suggest to King Fahd that lower oil prices were in the strategic interests of the United States and that only Saudi Arabia, as the world's swing producer, could create a large surplus and drive prices down by increasing its production?

Did the Reagan administration and King Fahd agree that an "oil price war" would entail the risk that Iran might retaliate militarily? And did the White House or State Department reaffirm the U.S. commitment to defend the Gulf states?

Did the administration confer with executives of the Aramco partners to formulate a pricing strategy?

Once oil prices had fallen below $10 per barrel, did the Reagan administration work with Saudi Arabia and Iran to devise a plan approved at the August and October OPEC meetings to raise and stabilize oil prices?

And did King Fahd dismiss Sheikh Yamani and confine him to Saudi Arabia (after the Iran scandal broke) because he feared that Sheikh Yamani would expose the U.S.-Saudi "oil price war" strategy?

Perhaps the congressional committees investigating the Iran arms deals can explore these questions. Certainly Vice President Bush, Secretary of State George Shultz, Treasury Secretary James Baker, Energy Secretary Herrington and former White House aide Michael Deaver (who now represents Saudi Arabia) ought to be called to testify under oath about what they knew concerning administration policy on oil prices and Saudi oil decisions. They ought to be asked whether the United States joined with Saudi Arabia to wage an "oil price war" against Iran during the period in which the White House was trading arms for hostages.

The writer, assistant director of the Citizen-Labor Energy Coalition, contributed this to The Washington Post.

LETTER

When Children Are Shot

I am disappointed by your coverage of recent brutalities by Israeli forces against Palestinians. While the problems of Lieutenant Colonel Oliver North get ample front-page coverage, the shooting of Palestinian youngsters is covered summarily.

The Israeli government has used the excuse of preserving its "security" to carry out all kinds of illegal land seizures and systematically violate the rights of the Palestinian people. When Israeli forces shoot and kill children, is it second-class news?

LEONI de VRIES.
Amsterdam.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Russia and Jews

ST. PETERSBURG — Count Stenbock-Fermor, marshal of the nobility of Kherson, is inviting the Zemstvos to cease to purchase machines produced in America. The boycott is recommended in retaliation for the notice given by President W.H. Taft for abrogation in 1913 of the treaty of 1832 regulating commercial and other dealings with Russia, in view of the refusal of the St. Petersburg Government to permit the entry of naturalized American citizens of Jewish birth into Russian territory, despite the fact that they possess an American passport. The Russian excuse for excluding these U.S. citizens is that their presence is undesirable because in many instances they are relatives of political agitators or have themselves dabbled in political troubles.

1936: Chiang Is Freed

NANKING — Marshal Chiang Kai-shek has arrived at Nanking by airplane after his unconditional release (on Dec. 25) from a captivity that had lasted 13 days. He was greeted at Nanking by 200,000 citizens cheering and waving the Chinese national flag. Two hours after Chiang's arrival, Chang Hsueh-liang flew into Nanking. The young general, who detained Marshal Chiang at Sianfu, will be pardoned rather than punished, according to Minister of War Ho Ying-ching. Chiang told the Nanking government that Chang, after detaining him, had submitted six demands [principally calling for the Kuomintang to cease hostilities against the Communists]. On this he had declined to negotiate with his captor. Chang had ended by giving in.

1986: Hope, Sorrow and Fear

This year brought a mix of emotions, reflected in news photographs from around the world. Dictators were forced out in the Philippines and Haiti. Soviet dissidents were set free in Berlin and Gorky. A U.S. aid scheme began to unravel when a plane was shot down over Nicaragua. Americans mourned when, for the first time, astronauts died during a mission. Bombs exploded in some cities, such as Paris, while warplanes screched over others, such as Tripoli. In South Africa, there were more deaths as the anti-apartheid fight continued.

Willy Vicoy/Reuters

Corazon C. Aquino of the Philippines signaling victory after being named president in February.

Frederic Neema/Reuters

Libyan militiamen shouting anti-American slogans over the corpse of a man killed in a U.S. air raid on Tripoli in April.

Reuters

Mourners carrying the coffin of an anti-apartheid activist killed by vigilantes in May during unrest in Alexandra, a black township north of Johannesburg.

Reuters-UPI

The rocket boosters of the space shuttle Challenger trailing away as the craft exploded in January. Seven astronauts were killed.

Louis Dematchis/Reuters

Eugene Hasenfus being led away by Nicaraguan soldiers after his plane was shot down in October.

Denis Paquin/Reuters

Anatoli B. Shcharansky, left, with Richard R. Burt, the U.S. ambassador to West Germany, after being released in February.

In Shift, Malawi Will Aid Mozambican Refugees

By Blaine Harden
Washington Post Service

DEDZA, Malawi — For two years, the dispossessed from Mozambique's civil war have been walking, sometimes limping, into this small country across an unguarded border.

Some refugees come with suppurating sores on their backs, courtesy, refugees say, of South African-supported rebels who pressed them into service as pack animals. Others walk across the border hungry and naked, courtesy, refugees say, of Mozambican troops who stripped them of food, furniture, cooking pots, shoes and, sometimes, their trousers.

The common possessions of these people who have nothing are memories of relatives and friends shot in the cross fire between the warring parties.

Until recently, the official response of Malawi, which maintains full diplomatic relations and strong economic ties with South Africa, was to pretend to the outside world that the 70,000 Mozambicans were not in the country.

The first 20,000 or so moved in with relatives or built huts close to the border. They slept in Malawi at night and many walked back to Mozambique during the day to tend their fields.

But in the past year, as rebels have escalated the war, crops near the border have been destroyed or stolen by soldiers of both sides. Hungry refugees began roaming around Malawi, knocking on church doors at night, begging for food, clothes and shelter.

One clergyman said his congregation raised money to help the refugees, but insisted that it be distributed away from the church. "The elders were very nervous about political complications," he said.

President Hastings Kamuzu Banda, who stands alone in black Africa in his determination to maintain friendly and economically fruitful relations with South Africa, chose not to tell his people about the refugees.

Denial of the Mozambicans, however, is drawing to an end. According to aid officials, Malawi can no longer afford to keep quiet about the flood of destitute people into its southern territory, a region that, even without any refugees, is among the poorest and most densely populated in Africa.

"We couldn't contain the situation," a Malawian official said. "It is beyond the resources of this country."

The official, who asked not to be identified, said that the government ordered the Malawi Red Cross in August to make a quiet appeal for international assistance.

Last week, after months of delay, a delegation from the office of the United Nations High Commissioner for Refugees toured Malawi at the government's request.

The European Community has pledged $2 million worth of food for refugees. In a visit to Malawi last week, Michael H. Armacost, the third-ranking official in the U.S. State Department, offered $250,000 for refugee assistance and said that more money would be made available if needed.

Malawi's reluctance to acknowledge the obvious and accept outside refugee assistance are symptomatic of the country's uncomfortable and, in many ways, unavoidable involvement in Mozambique's civil war.

That war is widely perceived across Africa as far more than just another civil conflict. It is viewed as a moral contest that pits agents of white-ruled South Africa against the democratic values of black-ruled nations.

The rebel Mozambican National Resistance, with the support of South Africa, has stepped up its crippling attacks on government-held areas in the past year and now claims to control most of Mozambique outside major towns. To support Mozambique's army, Zimbabwe has committed about 12,000 soldiers, some to fight and some to guard vital rail lines that serve much of southern Africa.

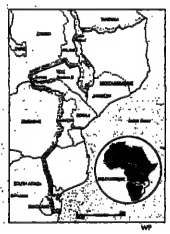
The war has wrought havoc in much of Mozambique, killing an estimated 100,000 people in the past year and causing $4 billion worth of damages, according to the Mozambican government.

The UN refugee agency says there now are 600,000 displaced people inside the country, and more than 200,000 Mozambicans have fled to neighboring countries. Malawi, by far the smallest of these countries, has attracted the most refugees.

Malawi juts into Mozambique, so its southern half is flanked on both the east and west by somebody else's civil war. While Malawi adamantly claims to be neutral and uninvolved in that war, its neighbors say they do not believe it.

The leaders of Mozambique, Zambia and Zimbabwe have been critical for years of Malawi's close ties to South Africa. This fall they denounced the country for allegedly allowing the Mozambican rebels to use Malawian territory as a base. In a September meeting with Mr. Banda, leaders of the three nations threatened to cut landlocked Malawi's transport routes to the sea unless support of the rebels was halted.

According to diplomats, clergymen and aid officials who have traveled extensively along the Malawi-Mozambique border in recent months, there is no evidence of extensive or formal Malawian support for the rebels.



WP

The unpatrolled border, however, is like many such dividing lines in Africa. It is a political fiction that cuts through traditional tribal areas. The border is routinely ignored and Malawi, with an army of about 9,000 soldiers, cannot police it. But neither can the country afford to ignore the blockade warning.

So while continuing to deny any support for the rebels, the government has established a joint security commission with Mozambique. Malawi also has tried, with little success, to stop refugees from making daily border crossings to tend their fields.

Refugees say they want to go home, but they doubt that either the government or the rebels will leave them alone.

"If it is the government coming to our village, we are afraid we are going to be killed," said one, Jonas Martin. He added, referring to the rebels: "If it is Renamo, we are afraid of being asked for too much food and then we starve."

Alcohol Sales Fall By 40% in Soviet

Reuters

MOSCOW — Soviet alcohol sales fell nearly 40 percent in the first 11 months of 1986 following announcement of Mikhail S. Gorbachev's campaign to cut heavy drinking, according to official figures released Friday.

The Central Statistics Board said that the fall in sales had led to a 25-percent drop in the crime rate, a 20-percent decline in road accidents and about a 30-percent drop in absenteeism at work.

Tass, which carried the data, said that the improved work attendance had almost compensated for losses to the state through the fall in liquor sales. Mr. Gorbachev raised alcohol prices and limited the opening hours of establishments selling alcohol.

VATICAN: *Rifts Between U.S. Catholics and Rome, and in the U.S. Church Itself*

(Continued from Page 1)

doesn't have many sanctions against them. It's harder to frighten them."

If the changes wrought by the Second Vatican Council in 1962-65 produced ferment and turmoil all over the world, the American church went through additional transformations.

Old ethnic enclaves slowly broke up, and millions of American Catholics were shorn from roots. Parochial schools tied to the ethnic parishes declined.

Throughout this century, moreover, the educational levels of American Catholics have dramatically risen, leading to a more inquisitive and, in some cases, more skeptical flock.

Above all, there were the cultural and sexual revolutions of the 1960s, which coincided with the Vatican Council.

The Reverend Thomas Herron of Philadelphia, an official of the Congregation for the Doctrine of the Faith, the Vatican body charged with safeguarding orthodoxy, argued that the Vatican Council's liberalizing effects are often confused with the far broader upheaval in American society.

"People tend to blame the council for many things that had far more to do with the counterculture," he said. "We are still dealing with the effects of an enormous revolution that we still do not fully understand."

"What is clear," he said, "is that the 1960s involved a revolt against authority, and few institutions had such a powerful sense of authority as the Catholic Church. So the rebellion in the church may have been much stronger than against almost any other institution."

Even Vatican officials who see serious problems facing the American church today acknowledge its continued strength and the enormous energy of its members.

"We understand that the Catholic Church in the United States is one of the most dynamic churches in the world," said Archbishop Jan Schotte, a Belgian who is secretary-general of the Synod of Bishops and a key Vatican official.

Pope John Paul II, who will visit the United States next year, shares this view, said Joaquin Navarro Valls, the chief Vatican spokesman. "The pope gets labeled as an anti-American, and it's simply not true," said Mr. Navarro.

In a formal sense at least, American Catholics are unusually faithful compared with their counterparts in many Western European countries.

Attendance rates at Mass among American Catholics, despite a decline in the 1960s and early 1970s, are still among the highest in the world. Some estimates show that about half of the Catholics in America attend Mass on an average Sunday.

At the same time, the donations of American Catholics have helped to create an extraordinary network of institutions, including schools, hospitals and publications.

Yet the very dynamism of the American church helps fuel the controversies within it. As descendants of an immigrant minority that struggled to preserve the faith on sometimes hostile territory, American Catholics are unusually fierce in holding on to their Catholic identity.

"Being a Catholic is like being a member of a family," said Lisa Sowle Cahill, a liberal Catholic who is an associate professor of Christian ethics at Boston College. "You have to be pushed out in order to break with it. It's not like any other voluntary organization."

James P. McFadden, president of the National Committee of Catholic Laymen, a conservative group based in New York, agrees, albeit from an entirely different perspective. He argues that one of the church's gravest problems is that dissidents refuse to leave.

"You don't need to be Catholic to be Catholic anymore," he said. "If you dissent, you don't get out. That's the problem. Martin Luther looks like a prince compared to these people because he knew when it was time to go."

Traditionalists have been heartened — and liberals worried — by John Paul's appointments to the hierarchy of the American church, symbolized by New York's archbishop, Cardinal John O'Connor, and Boston's archbishop, Cardinal Bernard Law. The "John Paul bishops" now number about 90, and the steady appointment of more like-minded bishops is expected to push the American church in a more conservative direction.

However, a moderate to liberal coalition led by Cardinal Joseph Bernardin of Chicago still holds a substantial majority in the National Conference of Catholic Bishops.

One result of strong loyalties is that anger and hurt are pronounced on both sides of the battle lines in the American church. Traditionalists like Mr. McFadden complain that those who are less than orthodox are trying to hijack the true church; liberals like Ms. Cahill complain that traditionalists want to throw them out altogether.

Such talk underlines one point of agreement between Vatican officials and their critics in the American church: that the conflict is not only between liberal American Catholics and the Vatican, but also within the American church.

"Americans are used to writing their congressman and getting action," said the Reverend Diarmuid Martin, an Irishman who is an official of the Pontifical Council for the Family. "So American Catholics who are angry write the Vatican for action."

Liberals, skeptical of centralized authority and without much hope of finding a sympathetic ear in the Vatican, tend to write fewer missives, though there has recently been a flow of letters of protest.

Some liberal Catholics worry that the traditionalists' love of letter writing has given the Vatican what Ms. Cahill called a "distorted" view of the American church, because the traditionalists often focus on the most extreme and bizarre forms of dissent.

One Vatican official, a European who reads many of the letters of complaint, said he believed there was some truth to this assertion. But he added that he was nonetheless surprised "at some of the amazing things that seem to go on in American church."

He cited the example of a book used by an American diocese for preparing couples for marriage. Its section on the spiritual lives of couples, he said, began with the question, "Have you ever thought of praying in the nude?"

"Is that really central to the spiritual lives of couples?" he asked. "Did it really have to be the first question?"

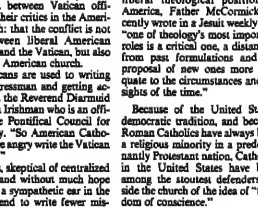
The root question in nearly all the disputes involving the American Catholics is the nature of church teachings and the extent to which the church can permit dissent and disobedience.

The Reverend Richard A. McCormick, a professor of Christian ethics at the University of Notre Dame, warned against a static view of orthodoxy.

In an important statement of the liberal theological position in America, Father McCormick recently wrote in a Jesuit weekly that "one of theology's most important roles is a critical one, a distancing from past formulations and the proposal of new ones more adequate to the circumstances and insights of the time."

Because of the United States' democratic tradition, and because Roman Catholics have always been a religious minority in a predominantly Protestant nation, Catholics in the United States have been among the stoutest defenders inside the church of the idea of "freedom of conscience."

> 'Unless one is willing to dismiss' dissent on birth control 'as obduracy, ignorance or bad will, this widespread opposition must give rise to serious concern.'
>
> —*John R. Quinn*



Liberal American Catholics like Bishop James W. Malone of Youngstown, Ohio, a former president of the National Conference of Catholic Bishops, are at the front of the battle for "collegiality," a diffusion of responsibility to the bishops and the national churches. And theologians like Father Curran are leading the battle for the rights of theologians to dissent.

"The Catholic tradition has always emphasized that human reason can reflect on faith," said Father Curran, a professor at the Catholic University of America in Washington. "Any tradition that says that faith and human reason can't contradict each other has the tools to deal with these problems."

But to some Vatican officials, as well as to many conservative Catholics in the United States, the American liberals often seem intent on watering down the church's more unpopular teachings.

Rocco Buttiglione, an Italian who is one of the leading thinkers of Comunione e Liberazione, a group that supports John Paul's approach, echoes the private comments of many Vatican officials when he says Americans often confuse political structures with the church.

"Democracy is a wonderful formula for political society, but the church is not a democracy," he said. "Sometimes the church simply has to say unpopular things."

Certainly some of the things that the church has been saying about sexuality and the role of women are unpopular among many American Catholics, who cannot understand why a more "modern" attitude toward women's roles would shake the foundations of the church, or why the birth control pill — invented, as it happened, by a Roman Catholic — should necessarily undermine the entire structure of Catholic moral teaching.

The question of women's rights has special resonance in the United States, not only because of the strength of its women's movement but also because women — particularly nuns — have played an unusually large role in building American Catholicism. The American bishops have encountered difficulty in drafting a pastoral letter on the subject, not only because of divisions among them but also because of fears of appearing to move beyond Vatican teaching.

The sexual revolution may have shaken the Catholic Church more than most other American institutions because the church's members cleaved so faithfully — and for so long — to traditional morality, especially on birth control.

In a study published in 1963, the Reverend Andrew M. Greeley, an American author and sociologist, found substantial acceptance among Catholics of the church's birth control teaching. But between 1963 and 1974, astonishing changes took place: opposition to birth control, for example, fell from 52 percent to 13 percent, to divorce from 46 to 25 percent.

The revolt against the church's sexual teaching was paralleled by a decline in church attendance, and Father Greeley argues that the church's ban on contraception was the major cause of this disaffection.

In a carefully worded speech at a bishops' synod in Rome in 1980, Archbishop John R. Quinn of San Francisco said he supported the church's teaching on birth control, but added a pointed reference to widespread dissent. "Unless one is willing to dismiss the attitude of all these people as obduracy, ignorance or bad will," he said, "this widespread opposition must give rise to serious concern."

But most Vatican officials, and especially the pope, argue that American Catholic dissenters are merely deceiving themselves by claiming that sinful acts are somehow not sinful.

"Man commits sin without calling by name what he does," the pope said in his Easter sermon this year. "But this is not the way of liberation. This is only the way of falsifying the truth."

NEXT: A more universal church.

ARTS / LEISURE

Skirting the Chinese Ceramic Riddle

International Herald Tribune

LONDON — Sometimes surprisingly little is known about categories of objets d'art that seem familiar only because they are often mentioned by name.

Celadon is now synonymous with pale-green porcelain from China. Early Blue-and-White, to collectors of Chinese art, conjures up the image of the large dishes and vases

SOUREN MELIKIAN

decorated with bold designs of dragons and phoenixes, or whirling formal motifs in deep blue enamels on a white ground.

Yet a three-volume set that Sotheby's Publications has just issued leaves no doubt that the main sources on 14th-century Celadon and Blue-and-White have barely been tapped, and that one of the great riddles of Far Eastern and Middle Eastern cultural history remains unsolved: Why Chinese pottery styles emerged that broke with the Far Eastern past and betrayed a strong Middle Eastern impact.

The subject of the book, "Chinese Ceramics in the Topkapi Saray Museum, Istanbul: A Complete Catalogue," is at the heart of the mystery although it does not address the question directly.

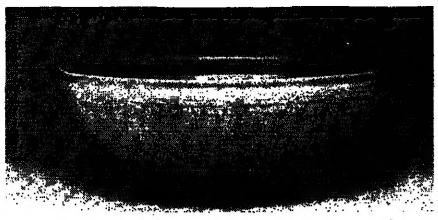
Its stated purpose is the cataloging of an extraordinary collection of Chinese ceramics, more than 10,000 pieces, of which about one-tenth is on view in Istanbul. It took three large quarto volumes weighing 17 and a half kilograms (38.5 pounds), with 1,384 pages and 5,000 plates (200 in color), to do justice to the entire collection.

Even if one leaves out Volume 3, which covers the later periods, Sotheby's Publications has made a sensational coup with its *catalogue raisonné*, reproducing 546 Celadons from 14th- and 15th-century China (plus four Southeast Asian Celadons of the same period) in Volume 1, and almost as many Blue-and-White, also of the late Yuan and Ming periods, in Volume 2.

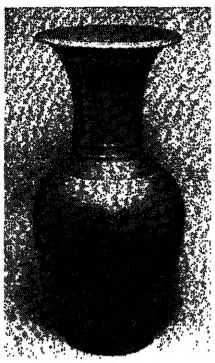
The photographic documentation alone dramatically expands our visual knowledge, even though, as John Ayers, a former keeper of the Far Eastern department at the Victoria and Albert Museum, assures us in the introduction, it reserves few surprises for the specialist.

However, surprising scholars is one thing, and it is another to surprise the art lover by giving consistent sequences of color plates of the highest quality, when previously only black-and-white photographs in obscure learned journals were available.

Regarding Celadons, the effect is spectacular. For the first time in publication history, one gets a continuous development of the



Celadon dish with lobed pattern.



Large Celadon vase.

patterns and shapes evolved in the years when China was ruled by a dynasty of Mongol origin called Yuan in Chinese. Regina Crahl, in her excellent survey of the material, notes the "bold shapes and vigorous designs in the Yuan dynasty."

She is the first art historian to stress the existence of a specific Yuan style, using as dating evidence pieces such as the big vase in the Percival David Foundation in London, dated 1327, and a group of dishes carrying small characters in a script devised by a Tibetan lama, Pagspa (1235-1280), who exercised considerable influence over the Mongol rulers. These characters, occasionally molded in very small size as part of the decoration in the central area of dishes, were used only for a short while at that period.

Crahl has not actually attempted to characterize the Yuan style other than by repeatedly calling it vigorous. One of its most obvious innovations is not just the monumentality due to sheer size but the sculptural quality of its decoration, achieved through the use of low relief or of deeply incised motifs.

Occasionally, the two are combined, as in *the admirable dragon dish (TKS15/260)*. Yet another technique was the use of applied biscuit relief in delicate shades of light mauve on the green glazed body. The biscuit motifs are mat, in contrast with the sheen of the Celadon, and have a crispness that further increases their sculptural appearance. The effect is foreign to the Chinese tradition, inducing one to look for a possible source of inspiration in the other major cultural sphere ruled at that time by the descendants of Genghis Khan — Iran.

This is all the more tempting as so many of the patterns and shapes are either borrowed from Iranian models or heavily influenced by them. That matter is not discussed in the Sotheby's Publications catalogue, even though several plates show typical instances of such motifs — the five-lobed rosettes in biscuit relief on the dragon dish (TKS15/239) or on the celadon dish (TKS15/621). The main pattern on the latter, with almond-shaped lobes, is an age-old Middle Eastern design obtained by incising intersecting circles with dividers. Indeed, the very idea of geometric decoration, or even of a repeat pattern creating a rhythmical effect, is alien to the aesthetics of Chinese pottery in the previous Song period.

No less striking are innovations such as the raised roundels at the bottom of large bowls, which Crahl calls "plaques." She tentatively explains their introduction by saying that it was necessary to bore a hole in the bases of large bowls to prevent cracks from developing during and after firing. A more convincing reason might be the imitation of the "prints" — or "bosses," as such raised "plaques" should be called — encountered in metalwork from the Middle East. The list of Iranian-derived motifs could be considerably lengthened.

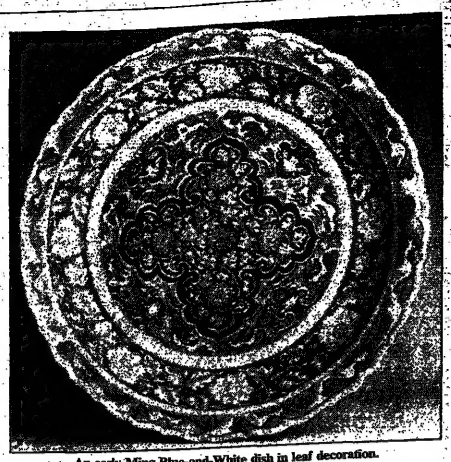
Similar remarks can be made about the splendid dishes, vases and bottles of the Yuan discussed in Volume 2. Here, additional questions arise, deepening the mystery surrounding the emergence of the Yuan styles in Celadon and Blue-and-White pottery. Some questions concern the decorative repertoire. Motifs such as the so-called phoenix birds have no precedent in Chinese pottery. Seen from the Middle Eastern angle, these have an outlandish appearance and are often cited as instances of Chinese influence when found in Middle Eastern decoration.

But, seen from China, they look terribly Middle Eastern, as Crahl confirmed in an interview. A similar problem is raised by landscape painting in early Blue-and-White pottery. It is strikingly different from Chinese painting in terms of composition and brushwork, and comes much closer to Iranian aesthetic. Yet, some of the motifs have no parallel in Iran and must be indigenous to China.

It should be stressed at this point that early Blue-And-White has a specific decorative repertoire most of which is not found in Yuan Celadon. That even applies to formal motifs such as the Iranian-style escutcheons designed as polylobed cusped arches pointed toward the center of a dish.

As the use of large-scale blue decoration comes abruptly into the decoration of Chinese pottery art, the implication seems to be that the Yuan Blue-and-White style, and probably the Yuan Celadon style, were developed under the influence of a hybrid cultural milieu in circumstances that await elucidation. The fact that this blue is referred to in the Chinese tradition as "Mohammedan blue" is significant — the Mohammedan world, to 14th- and 15th-century China, meant essentially Iran.

Indeed, the inscriptions calligraphed in the Arabic alphabet on early Blue-and-White porcelain point to an Iranian connection. Surprisingly, scholarly literature, including Sotheby's catalog, has so far omitted to note that nearly all the inscriptions in the Arabic alphabet found on early Chinese Blue-and-White that do not reproduce Koranic verses or utterances attributed to the prophet Mohammed (*Hadith*), are Persian verses. Some are by great poets from Iran, which implies that the vessels were intended for a highly literate public.



An early Ming Blue-and-White dish in leaf decoration.

Disappointingly little is yielded by the Topkapi archival documentation regarding this crucial early period, partly because references to specific objects are too vague to allow identification but largely because most of the early Chinese pottery did not reach Istanbul directly.

The taste for Celadons and Blue-and-White came to the Turks from the culture on which they drew so heavily in every other respect, that of Iran. Many pieces were looted from the Iranian capital, Tabriz, in the course of Iranian-Turkish wars, and others were received as royal presents from Iran and sometimes even Islamic India. The early owners' marks drilled on the underside of several dishes are Iranian, such as that of one Behbud, whose name crops up eight times in the collection of Blue-and-White now in the Muze-ye-Iran Bastan in Tehran, and could also be read on a large unpublished dish in the Eskenazi Gallery, London.

Blue-and-White porcelain is frequently depicted in Iranian painting and mentioned in Persian historical sources and poetry. So are Celadon wares. Unfortunately, neither Persian nor Arabic sources have been used in the original by contributors discussing problems of terminology and epigraphy in Sotheby's catalogue. The section discussing words such as Faghfuri, which refers almost certainly to Celadon in 15th- and 16th-century literature in Iran, suffers from this.

This means that the fundamental problem regarding the origins of the Yuan styles as well as the lesser questions concerning the identifications of early owners will have to be dealt with afresh. This in no way belittles Sotheby's Publications' achievement. Its three-volume set has opened many doors by building up the most magnificent pageant of Chinese Ming and Yuan pottery obtainable anywhere.

If proof was needed, the book edited by John Ayers, with Regina Crahl as the main contributor, shows that *catalogues raisonés*, when brilliantly produced, are the most important contribution that scholarship can make to the understanding of art.

'Coastal Disturbances' Topped New York Stage in 1986

By Frank Rich
New York Times Service

NEW YORK — "New York without a theater district might as well be Newark," cracked a taxi driver in the comedy that opened 1986, Terrence McNally's "It's Only a Play."

Twelve months later, Times Square is still unlikely to be confused with the Garden State, but does anyone doubt that the New York theater district is less a place than a state of mind, as hard to pin down as "the oldest established permanent floating crap game" of "Guys and Dolls?"

The most warming new American play of 1986, Tina Howe's "Coastal Disturbances," is to be found in a living-room-sized auditorium two flights up from "The Common Pursuit," 30-odd blocks north of Shubert Alley. The year's boldest musical theater experiment, Martha Clarke's "Vienna: Lusthaus," was born in the tiny St. Clement's, in the shadows of the Broadway periphery, before finding a berth at the Public downtown. The most original performer Broadway has seen in ages, Robert Lindsay of "Me and My Girl," turned up at the neighborhood's most widely despised venue — the antiseptic hotel auditorium that usurped three venerable playhouses — and, like it or not, legitimized the Marquis as a theater.

The year had many such surprises, as befits a New York theater in a state of upheaval and transition. Except for the importing of English musicals, the commercial theater establishment is steadily relinquishing its traditional producing role: Broadway has seen only two new plays since the current season began in early June — one inevitable (Neil Simon's welcome "Broadway Bound"), the other a gift (Joseph Papp's transfer from the Public of Reinaldo Povod's promising debut, "Cuba and His Teddy Bear"). As long as this Broadway power vacuum widens, the decentralization of New York and American theater will accelerate, ideally to the theatrical culture's ameliorated health.

But the theater lives in its artists, not in its either commercial or nonprofit impresarios. In "Coastal Disturbances," a play about lovers on a beach, Tina Howe makes us look at couplings and uncouplings anew because she has the wisdom (and the talent) to see men and women, from the very young to the very old, as if they were as changeable as New England summer weather and just as resistant to scientific prognostication. Howe's language, plush with the imagery that so many contemporary playwrights have ceded to novelists, celebrates her characters even when they behave selfishly. That intoxicating rush of pure empathy is enhanced by the beautifully designed and acted production directed by Carole Rothman at the Second Stage.

If Howe is a woman with an exceptional understanding of men, Neil Simon, whose past works include "The Last of the Red Hot Lovers" and "The Goodbye Girl," may, at this amazingly late date, be blossoming into a male writer with a compassionate grasp of women. As anyone who has slogged through its long first act knows, "Broadway Bound" is a mixed affair: Simon doesn't yet seem ready to confront the father and brother of his autobiographical stage family, and some of the dozens of bons mots just huff and puff. But Kate Jerome, the mother played with exquisite shading by Linda Lavin, is the bravest and most profound creation of the writer's career: a Jewish mother who's neither a clownish *kvetch* nor a sentimentalized martyr, but a tenacious first-generation American with a very specific sense of family duty that even the cruelest betrayals cannot force her to re-examine or abandon.

That Simon was the only major American talent standing tall for old-time Broadway standards this year was doubly emphasized by the poor quality of new American musicals. (Even the one Broadway musical successfully revived, Bob Fosse's sizzling re-creation of "Sweet Charity," was a Simon effort of 20 years ago.) The song-and-dance entertainments on Broadway were profligate in their waste of talent (Teresa Stratas sank with "Rags," Cleavant Derricks and Loretta Devine with Fosse's "Big Deal").

Off-Broadway's "Vienna: Lusthaus" can't be accurately called a musical — it has a score, dancing, a script but no songs — and yet it illuminates possible future dimensions for the musical theater. Not unlike Stephen Sondheim and James Lapine in "Sunday in the Park With George," the director Martha Clarke employed abstract painterly images and movement, as well as music (by Richard Peaslee), and fragmented dialogue (by the historian Charles Mee Jr.) to dramatize the dawn of Modernism.

But if "Sunday in the Park" transported audiences into the contemplative aesthetics of post-Impressionist, late 19th-century France, "Vienna: Lusthaus" was a leap into the vortex of the nearly contemporaneous but far more neurotic Modernist cataclysm of Schnitzler and Schoenberg, Freud and Schiele. An erotic and finally terrifying vision of Western civilization waltzing into the charnel house, "Vienna: Lusthaus" had the precision, power and intellectual ballast too often lacking in auteurist contemporary theater.

While the more conventional political plays of 1986, particularly those developed at institutional theaters beyond New York, might suggest that the Group Theater was the last vehicle in polemical dramaturgy, George C. Wolfe's "Colored Museum" and Eric Bogosian's "Drinking in America" revealed more daring theater minds at work. Wolfe has brought us a series of sketches that, as acted by an exploitive young company, uncovers "the madness and colored contradictions" of black American history and culture without letting blacks (male and female) or whites off the hook. Bogosian's solo vignettes formed an alternately terrifying and hilarious mural of frightened American men (rich and poor, white and black) whose gluttonous hunger for power and its addictive accoutrements (drink, drugs, sex, money) knows no limit.

"The House of Blue Leaves," the most notable revival of the season, seems as up-to-the-minute as "Drinking in America." John Guare's all-American nobodies, circa 1965, are cousins of Bogosian's desperate characters; they are driven bananas by a society that preaches Hollywood-style fame as salvation and then sadistically denies that supposed sanctification to all but an arrogant few.

Martha Swope

Jonathan Silverman, Neil Simon's alter ego in "Broadway Bound."

It's another kind of performance style entirely that Robert Lindsay has reinvented in "Me and My Girl," a revised version of a 1937 West End musical. A comic actor who can sing, dance, flip his bowler hat with his forehead and leer down a woman's dress all at the same time, this English star makes audiences think of everyone from Kelly to Chaplin to Bobby Clark. Musicals aside, 1986 is like every year in that one theatergoer's second-best could be another's best. In addition to "Blue Leaves," audiences could choose happily among the distinguished revivals of "It's Only a Play," "Sweet Charity," Joe Orton's "Loot," the Royal Shakespeare Company's "Nicholas Nickleby," the Hecht-MacArthur "Front Page" and Spalding Gray's monologue, "Swimming to Cambodia." In a special category is "Wild Honey," Michael Frayn's ingenious adaptation of Chekhov's first extant play, which must eventually be seen in a more sensitive production than the one that brought an energized, at times overenergized, Ian McKellen back to Broadway.

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BUSINESS/FINANCE

SATURDAY-SUNDAY, DECEMBER 27-28, 1986

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Dow Jones Climbs 3.52. Story on Page 8.

4 P.M. PRICES MIXED

ECONOMIC SCENE

A Year of Gloom and Doom Hints at More of the Same

By LEONARD SILK
New York Times Service

NEW YORK — This has not been the jolliest of holiday seasons. Indeed, as the year draws to an end, the worries about the U.S. economy are intensifying. Christmas sales have been disappointing so far for most retailers. Consumers appear to be overstretched in terms of debt. Economists at Morgan Guaranty Trust Co. say that the higher debt levels and the low savings rate left by the four-year boom in consumer spending are likely to limit the help consumers can provide to the economy's further growth. In fact, consumers have already begun to move to cut back their debts.

Business capital spending on new plant and equipment looks weak. Hampered by excess capacity and flagging sales, many U.S. businesses, especially in the manufacturing sector, are likely to cut back their capital spending.

The concern is that America is de-industrializing and selling its assets to foreign holders.

Despite the weakening of the dollar, America's trade position is improving only slowly. Part of the trouble is that the dollar has fallen so sharply against the Japanese yen that the Japanese economy has been hurt.

Further, European countries are moving ahead extremely slowly, with unemployment hanging above 11 percent. Yet the efforts of the United States to coax the Europeans to expand their economies faster seem to be falling on deaf ears.

The Ivan F. Boesky insider-trading affair — and the fallout from it that is expected to affect other arbitrageurs and the investment banks that worked with them — is worrying Wall Street. There may also need to be wide-reaching reforms in the way the securities markets are regulated.

A leading Washington lawyer, Lloyd N. Cutler of Wilmer, Cutler & Pickering, contends that, from an overall macroeconomic standpoint, "the implications for the stability, competitiveness and growth of the United States economy" of the explosion of cheap debt to finance corporate takeovers "could hardly be more ominous."

Mr. Cutler contends that it requires "a remarkable tolerance for letting markets regulate themselves to view these risks with equanimity; only those who would have opposed the creation of the SEC after the 1929 crash can consistently argue that the government should leave the junk-bond phenomenon alone."

WHAT CONCERNS HIM, as well as many other analysts, is the steep decline in equity-debt ratios of U.S. corporations. Mr. Cutler points out that, as more and more corporations succumb to takeovers or successfully defend by repurchasing their own shares, the equity-debt ratios of these companies will shift from 2 to 1, down to 1 to 2, or even as low as 1 to 10 or 1 to 20.

He contends that this shift, by transferring corporate payments to investors from nondeductible dividends to deductible interest, will reduce U.S. tax revenues from corporations at a time of large budget deficits.

The huge volume of junk bonds required to finance these retirements of equity, he adds, is being purchased and held by savings banks, insurance companies and pension funds, whose stability may also be affected.

"Unless the age-old economic laws of financial soundness and the business cycle no longer apply," Mr. Cutler says, "the time is

See SCENE, Page 11

Currency Rates

Cross Rates

Dec. 26

	$	£	D.M.	F.F.	N.L.	Sfr.	B.F.	S.F.	Yen
Amsterdam					Closed				
Brussels(c)					Closed				
Frankfurt					Closed				
London (b)					Closed				
Madrid					Closed				
New York(a)	—	0.6943 =	1.7025	6.0775	1.8215	0.2195	42.57	1.457	159.80
Paris	6.4725	9.449	2.38	—	4.2452 x	2.72	16.88 *	3.3438	4.228 *
Tokyo	153.09	224.77	56.34	24.03	71.38 *	64.34	399.39 *	97.95	—
Zurich					Closed				
1 ECU	1.6571	0.7283	0.8189	4.1253	1.4635	0.3859	43.3646	1.2333	171.811
1 SDR	1.3134	0.6228	N.Q.	N.Q.	1.6828	0.8868	49.7747	0.8812	196.559

New York rates at closing. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (*) To buy one pound: 60.5,40

Other Dollar Values

Currency per U.S.$		Currency per U.S.$		Currency per U.S.$		Currency per U.S.$	
Argen. austral	1.219	Fin. markka	4.88	Mex. peso	705.00	S. Kor. won	869.20
Austral. $	1.5119	Greek drach.	139.50	N. Zealand $	1.9063	Soviet ruble	0.6795
Austr. schil.	13.86	Hong Kong $	7.793	Nig. naira	3.1440	Span. peseta	135.08
Belg. fin. fr.	41.17	Indian rupee	13.60	Norw. krone	7.4828	Swed. krona	6.8575
Brazil cruz.	14.71	Indo. rupiah	1,654.00	Phil. peso	20.57	Taiwan $	35.44
Canadian $	1.3777	Irish £	0.7239	Port. escudo	147.25	Thai baht	26.140
Chinese yuan	3.7321	Israeli shek.	1.4743	Saudi riyal	3.751	Turkish lira	764.56
Danish krone	7.44	Kuwaiti dinar	0.294	Sing. $	2.1865	UAE dirham	3.673
Egypt. pound	1.40	Malay. ringg.	2.394	S. Afr. rand	2.3124	Venez. boliv.	35.30

£ Sterling: — Irish £

Sources: Banque de Bruxelles (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (Milan, riyal, dirham); Guaranty (rupee). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

Dec. 29/34

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	7¼-7⅛	4¼-4⅛	5¾-5⅝	11¼-11 ⅛	9-8⅞	—5⅛	7 ⅛
2 months	7⅛-6⅞	4⅞-4¾	5¾-5	11 ⅛-11 ⅛	9⅞-9⅞	—5 ⅛	6⅞
3 months	6⅞-6⅞	4¾-4⅝	5 ⅛-4 ⅞	11⅛-11 ⅛	9⅞-9⅞	—5 ⅛	6 ⅛
6 months	6⅞-6⅞	4 ⅞-4 ⅞	4⅞-4⅞	11⅛-11 ⅛	9-8⅞	—5⅛	6⅛
1 year	6⅞-6⅞	4⅞-4⅞	4-3⅞	11⅛-11 ⅛	8⅞-7	—7⅞	5⅞

U.S.$ rates from Dec. 24, all other rates as of Dec. 23. Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Dec. 23/26

United States	Close	Prev.
Discount rate	5½	5½
Prime rate	7½	7½
Broker loan rate	7¾-8	7¾-8
Federal funds	6¼	6 3/16
Call money 50-199 days	5.85	5.85
3-month Treasury bills	5.55	5.55
6-month Treasury bills	5.57	5.57
3-month CD's	5.95	5.95
6-month CD's	5.85	5.85
Japan		
Discount rate	3	3
Call money	4 5/16	4 5/16
3-month interbank	4⅝	4⅝
3-month interbank	4 5/16	4 5/16
West Germany		
Lombard rate	5.50	5.50
Overnight rate	5.65	5.55
3-month interbank	4.55	4.55
3-month interbank	5.25	4.85
6-month interbank	4.90	4.85
Britain		
Base loan rate	11	11
Call money	11	11
3-month interbank	10 11/16	10 11/16
91-day Treasury bill	10 11/16	10 11/16
France		
Intervention rate	7½	7½
Call money	7½	7½
1-month interbank	8	7½
3-month interbank	8⅛	7½
6-month interbank	8⅛	n.a.

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Dec. 26

1 month	7⅛ - 6
2 months	6⅞ - 7
3 months	6⅞ - 6⅞
6 months	6 ⅞ - 6 ⅞
1 year	6¼ - 6⅛

Source: Reuters.

U.S. Money Market Funds

Dec. 26

Merrill Lynch Ready Assets 30-day average yield:	5.14
Telerate Interest Rate Index:	6.315

Source: Merrill Lynch, Telerate.

Gold

Dec. 23-26

	A.M.	P.M.	Ch'ge
Hong Kong	389.25	389.45	—3.75
Luxembourg	392.50	—	—1.50
Paris (79.5 kilo)	392.50	392.60	+5.21
Zurich	390.45	391.65	+1.60
London	391.65	Chd.	+1.60
New York	—	392.55	+0.55

Luxembourg, Paris and London official fixings; Hong Kong and Zurich evening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Markets Closed

The only major world stock markets open Friday were those in the United States, Japan, France and Singapore. Elsewhere, markets remained closed for the Christmas holiday. In the United States, many commodities exchanges and banks and all federal offices were closed.

Remington Boss Out There Pitching

Kiam, the Global Salesman, Offers More Than Shavers

By Thomas J. Lueck
New York Times Service

BRIDGEPORT, Connecticut — Just before Christmas, the old Remington Products plant here was stacked to its rafters with thousands of electric shavers. And Victor Kiam, the chairman, marketing guru and sole stockholder of Remington, was an exhausted man.

"The opportunities are endless; my only problem is time," said Mr. Kiam, who has starred in his own television advertising around the world for five years.

In 18 languages, some of them hastily memorized, he has made the cheery pitch that Remington's shavers "shave as close as a blade, or your money back."

But now he is trying to extend his pitch beyond shavers, which were shipped out of Remington's plant by the thousands for the holiday sales rush.

Having built Remington into the world's second-largest manufacturer of electric shavers — it trails only Noreloc, a subsidiary of Philips NV of the Netherlands — Mr. Kiam has added a host of offbeat consumer goods that range from machine washable neckties to a portable vacuum that chemically cleans rugs.

On this day, Mr. Kiam, who turned 60 years old on Dec. 7, appeared to the world as the bleary-eyed survivor.

"I may not have any friends left," he said with a self-deprecating chuckle, adding that business trips, sales meetings and marathon negotiations to acquire other small companies had left him only 11 nights at home with his family and friends since August.

"He works harder than any man in the world," said Robert Simons, a retired partner in Alexander Grant & Co., the accounting firm, and a member of Mr. Kiam's board of directors since he purchased Remington from the Sperry Rand Corp. in 1979.

The company does not disclose its earnings, but Mr. Kiam said Remington has had net income of between $10 million and $15 million each of the last two years. That is a vast improvement over the more than $5 million it lost under Sperry Rand the year before he completed his acquisition.

With an advertising budget of $35 million, Mr. Kiam expects Remington to post sales of $175 million for the fiscal year ending next June 30.

But Mr. Kiam recognizes that advertising shavers will take him, and his company, only so far. Continued growth, he said, now depends on its ability to "leverage the Remington name" by introducing products. Outside the shaver business, however, growth has proved elusive.

"We have not been successful breeding new product categories," Mr. Kiam said at a recent meeting of his executives. The company's innovative new products "haven't contributed a bill of beans" to the company's earnings, he added.

Remington's success is crucial to Bridgeport, a city 70 miles (113 kilometers) northeast of New York. With abandoned plants, vacant storefronts and thousands of idle workers, the city offers one of the grimmest examples in the northeast of a manufacturing economy in precipitous decline.

Unlike dozens of other companies that have left Bridgeport in the last decade, Remington, which is based here, has dug in its heels.

Since he acquired the company and cut nearly half of its management jobs, Mr. Kiam has doubled Remington's manufacturing employment.

The company's plant, an ancient, cramped, almost windowless building that was used in the 1920s to make the exotic Locomobile autos, now employs 1,080 Remington workers, most of them women working on assembly lines.

"Without Remington's commitment to Bridgeport, those jobs would have been lost," Mayor Thomas Bucci said.

Experts attribute Remington's success in the the electric shaver market to Mr. Kiam's aggressive cost-cutting measures — which included the sharp reduction in management employees and the redesign of the shavers themselves — and to his saturation advertising.

Since 1980, when disposable razors won a huge and rising share of the shaving market, electric shavers have been making a comeback. According to research by Appliance magazine, a trade publication, 8.4 million electric shavers were sold in the United States in 1985, up from 5 million in 1980.

"Electric shavers are catching on with yuppies, people who can afford lots of appliances," said Diane L. Mustain of Duff & Phelps. Meanwhile, major retailers attribute part of the growth to Remington's aggressive marketing and Mr. Kiam's television ads.

"We've seen an enormous increase in sales, and Victor Kiam's ads have been a major factor," said Larry Irving, a senior buyer in charge of electric shavers for K mart, the nationwide U.S. retail chain.

Among Mr. Kiam's other recent ventures is his book, "Going For It," published in April. A breezy autobiographical account, the book is intended as a motivational guide to entrepreneurs.

With the same brash style that has guided Remington, Mr. Kiam has invested his own money to market the book in television ads, offering a money-back guarantee.

Remington's growth in the shaver market has not come easily. Norelco's 1982 acquisition of the Schick brand of electric shavers gave it a dominance of the market. Remington has attempted to block the acquisition in a federal antitrust suit, which is pending.

Other competitors are also gearing up with new electric shavers. Gillette entered the U.S. market for the first time this year with shavers made by Braun, its German subsidiary, and Panasonic, Sanyo and other Japanese compa-

See KIAM, Page 10

Steve Miller/The New York Times

Victor Kiam, chairman of Remington Products, on the production line in Bridgeport.

Economists Forecast Further Decline of Dollar but Question Extent of Fall

By Barnaby J. Feder
New York Times Service

NEW YORK — Fifteen months after the historic meeting at the Plaza Hotel in New York, where the United States and its major industrial partners agreed to drive the value of the dollar down, currency traders and economists are wondering where the governments of the industrial nations want to see exchange rates settle.

The majority view is that the dollar is likely to decline further against leading foreign currencies, but few foreign-exchange experts predict that the drop will exceed 10 percent.

"We've clearly taken some of the disequilibrium out of the system," said David Munro, an economist for General Motors Corp. "From 1982 to 1984, it was clear that the dollar had gone too far, and the job was to bring it back. Now it's a two-sided question."

The leading contrary view is that the dollar might actually strengthen in the next year if the United States performs well economically.

"The flow of Japanese money into U.S. real estate is one sign that the dollar hasn't lost its allure as an investment medium despite its decline," said Peter Rogers, chief trader in New York for Banco di Sicilia.

A continued decline in the dollar is expected to give exporters an added lift and make imports more expensive, which should provide further impetus to the improvement in the U.S. trade deficit.

It is the past year's currency movements that will be reflected in next year's trade performance, however, not the modest shifts predicted for 1987, because businesses take six to 18 months to adjust to currency swings.

'We are going to be walking a tightrope in the coming year.'

— *John O. Wilson*
Chief economist, Bank of America

"If the dollar has somewhat further to fall, it won't happen quickly," said Henry J. Gailliot, chief economist for Federated Research Corp., a Pittsburgh-based fund manager.

The question of what the leading non-Communist industrial nations want exchange rates to do is regarded as an important uncertainty by traders. Before the Plaza meeting, market participants and policy makers alike had often minimized the effect that government intervention could have on foreign exchange markets. Since then, they have accorded far more respect to real and suspected interventions as well as policy statements by government officials.

The most notable recent example was the Oct. 31 agreement between U.S. Treasury Secretary James A. Baker 3d and Japanese Finance Minister Kiichi Miyazawa that the present yen-dollar relationship was "broadly consistent with the present underlying fundamentals."

The accord effectively locked the dollar's exchange rate into a narrow trading zone between 160 and 165 yen.

Some economists believe the accord will set the tone for creating a new framework for the international monetary system next year.

While the Plaza meeting may have initiated a period of increased government activism in dealing with exchange rates, the policies have yet to pay off.

The dollar has since fallen about 33 percent against the Japanese yen, about 30 percent against the West German mark and about 15 percent overall. But that downward adjustment has had far less impact on the trade deficits than predicted.

"We are going to be walking a tightrope," said John O. Wilson, chief economist at the Bank of America. "If we have to rely on exchange rates to correct the trade imbalances, we would need the dollar to decline another 20 percent to 30 percent. Obviously, that won't occur because of the disruption it would bring to the European and Japanese economies."

For that reason, most economists expect Japan and West European nations to try to stimulate their economies, which would improve the prospects for American exports. The first such anticipated action is a West German interest rate cut after that nation's national elections Jan. 25.

The West German mark is most often named as the currency most likely to be strong early in the year.

In addition, most experts expect further pressures on Japan, newly industrialized countries such as Korea, and some European nations to accept voluntary export restraints to reduce trade surpluses with the United States.

Surplus Capacity Cited In European Projects for Satellite Broadcasting

Reuters

LONDON — A new generation of satellite broadcasting projects, which could transform the viewing habits of Western Europe, will be readied for launch next year. But analysts question whether they will take off commercially.

Around 121 million Western European homes have television. Supporters of direct broadcast by satellite, as it is known, say this offers unique opportunities for program makers, advertisers and Europe's aerospace and electronics industries.

But skeptics argue that a large surplus capacity is developing, and that major regulatory obstacles must still be surmounted and costs to viewers cut before it can succeed.

They also question whether there are enough advertisers to support the prospective channels, particularly those aimed at more than one country.

France, West Germany, Luxembourg, Britain, Ireland, Sweden and Switzerland are all promoting direct broadcasting projects, which deliver programs via satellite directly to dish aerials on homes.

"There's much too much capacity chasing too small a market," said Patrick Whitten, managing director of a leading London-based communications specialist, CIT Research.

CIT estimates a gross potential market for direct broadcasting of only about 15 million homes in Europe. It expects 400,000 satellite receivers to be installed by 1990 and 1.37 million by 1995, a tenth of many other forecasts.

CIT says the cost of the receiving equipment, £700 to £800 (about $1,000 to $1,165), may also be prohibitive.

Large numbers of viewers will be enticed only if costs move down toward £200, analysts say.

Already there are about 18 satellite channels on offer in Europe, mainly through cable networks, though none has yet turned a profit. They include the publisher Rupert Murdoch's pioneering Sky Channel, which was started in 1981 and now broadcasts to 7.5 million homes across Europe.

Two rivals are expected next year. Super Channel, backed in part by Virgin Group PLC of Britain, a retailing, recording and video group, is due to begin broadcasts in January. MTV Network Inc.'s Music Television Program should start broadcasting in the spring as a joint venture between U.S.-based Viacom International Inc., Robert Maxwell's Mirror Group Newspapers and British Telecommunications PLC.

The first European direct broadcast satellite off the ground will be West Germany's TV-Sat-1. Its launch was scheduled for this year, but like France's TDF-1 was delayed by problems with the Ariane rocket that was to put the satellite into orbit.

TV-Sat-1 is now set for a June launch, to be followed by TDF-1 late in 1987 and Luxembourg's Astra satellite in February 1988.

Finding advertising to support this array of stations may be a problem, analysts said.

About $6 billion is spent yearly in Europe on television advertising, according to Toby Syfret, of the J. Walter Thompson advertising agency.

He said that growth of at least 50 percent and possibly 100 percent is possible.

Mr. Whitten said that business uses, such as news, financial data and private networks, are more promising commercially. He expects them to make up $900 million of the $1.5 billion in revenues CIT estimates satellite services will generate by 1995.

Other European projects include:

Ireland: A five-channel system, scheduled for launch in 1991, was awarded to Atlantic Satellites. 80 percent owned by Hughes Communications Inc.

Scandinavia: A three-channel Tele-X project is backed by the governments of Sweden, Finland and Norway. The launch is scheduled for 1988, with France's Aerospatiale as the main contractor.

Britain: A franchise for a private, three-channel project was awarded to BSB Group, led by Granada Group PLC. The launch is expected in 1990.

Saudi Arabia Confirms Nazer As Oil Minister

Reuters

JEDDAH — Hisham Nazer, named Saudi Arabia's acting oil minister when Sheikh Ahmed Zaki Yamani was dismissed on Oct. 29, has been formally appointed to the post, according to the Saudi Press Agency.

King Fahd issued a decree appointing Mr. Nazer minister of petroleum and mineral resources and acting planning minister, the agency said on Wednesday. Mr. Nazer, 54, was planning minister when he took over from Mr. Yamani. The statement suggested that a planning minister would be named later.

It was Mr. Nazer's proposal that the Organization of Petroleum Exporting Countries cut output by 7.25 percent that was finally adopted by the group, with the exception of Iraq, last Saturday.

Delegates said Mr. Nazer ably defended the prestige of King Fahd in pushing through production cuts. Previously, Saudi Arabia had said it would not cut its own production any further, but this time it led the way and secured an agreement that could raise oil prices sharply in the next few weeks.

In embracing a new policy, Saudi Arabia abandoned a high-production strategy to increase OPEC's market share that had been championed by Sheikh Yamani.

Peoples and Swarovski Acquire Zale

United Press International

TORONTO — Peoples Jewellers Ltd. and Swarovski International Holding AG of Zurich said Friday they had acquired a majority ownership of Texas-based Zale Corp. for $574 million after months of bidding for the world's largest jewelry retailer.

Coupled with more than 1.8 million Zale shares previously owned by Peoples, the companies said they hold about 94 percent of Zale common stock.

Peoples, Canada's second-largest jeweler, and Swarovski said a preliminary count showed almost 10.5 million common shares of Zale, worth $525 million at $50 each, were tendered through PS Associates CV, a company they jointly own.

Analysts speculated that Toronto-based Peoples and Swarovski might be forced to sell parts of Zale to reduce debt incurred in a tender offer that expired at midnight Wednesday.

"Peoples has never made it clear what it's going to do next," said Arthur Lichtendorf, an analyst with E.F. Hutton & Co. He said that Peoples' president, Irving R. Gerstein, had paid a high price for Zale.

Zale, based in Irving, Texas, posts annual sales of about $1 billion from the 1,340 retail outlets it owns in the United States, Puerto Rico and Guam.

On the New York Stock Exchange, Zale shares closed Friday up 12.5 cents at $49.875.

The companies, which plan to merge Zale with PS Associates by the end of 1987, said that the Zale board resigned at a meeting on Friday, except for three Peoples appointees. Mr. Gerstein was named president and chief executive officer of Zale.

The companies said a new board made up of an equal number of appointees from Peoples and Swarovski would be formed soon.

Peoples and Swarovski made a cash offer of $50 for Zale common shares and $40 for preferred stock. Stockholders who did not tender their shares would receive the same $50 a share after the merger.

Zale directors endorsed the offer in late November after rejecting three earlier bids.

The entire transaction, including the cost of shares not tendered, was valued at $550 million. The companies have said the cost, including expenses, would be $574 million. They planned to borrow $400 million.

Mr. Lichtendorf said Mr. Gerstein would have to focus on Zale's profitability and the question of whether its merchandising policies should be changed.

He said there were questions in the industry over Zale's move toward selling less expensive "department store" jewelry to attract business.

He also said that Mr. Gerstein would have to decide how "he's going to improve the profitability of this company to make the investment pay off."

"He's got a fairly tough row to hoe because the industry is competitive in the U.S.," he said.

Mr. Lichtendorf speculated that Mr. Gerstein may "try and sell off some of their traditional jewelers like Bailey Banks & Biddle."

Peoples had already announced that under the merger agreement, Zale's chairman, Donald Zale, and the president, Bruce Lipsky, would lose their jobs.

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Friday's NYSE Closing

Via The Associated Press

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
SCeIEd	29713	35	34⅝	35	+ ⅝
Kmart	29611	47⅝	46⅝	47	+ ⅜
Texas I	27011	27⅝	26⅝	27	+ ⅝
AT&T	4852	29⅝	29⅛	29⅝	+ ⅝
Boeing	4600	47⅝	46⅝	47	+ ⅝
CentEn	4292	31⅝	31	31	- ⅝
Fedmin	4184	41⅝	41⅛	41⅛	+ ⅜
Merck s	4087	121⅝	120⅝	121⅝	+4⅝
Revlon	3984	4⅝	4⅛	4⅛	- ⅝
NMedC	3874	32⅝	32⅛	32⅝	
IBM	3591	121⅝	121⅛	121⅝	
Penzoil s	3581	37⅝	37⅛	37⅝	+ ⅝
Emhart	3541	21⅝	21⅛	21⅝	- ⅛
USX	3541	21⅝	21⅛	21⅝	- ⅛

Market Sales

NYSE f.o.m. volume	49,840,000
NYSE prev. conc. close	115,205,770
Amex f.o.m. volume	4,370,000
Amex prev. conc. close	8,800,000
OTC f.o.m. volume	45,853,000
OTC prev. f.o.m. volume	82,115,000
NYSE volume up	33,501,000
NYSE volume down	14,339,000
Amex volume up	1,400,700
Amex volume down	1,163,000
OTC volume up	19,248,233
OTC volume down	11,110,804

NYSE Index

	High	Low	Close	Ch'ge
Composite	141.22	140.83	141.14	+ 0.14
Industrials	163.52	162.90	163.14	+ 0.21
Transp.	119.24	118.19	119.02	+ 0.13
Utilities	79.39	78.71	79.39	+ 0.01
Finance	142.35	141.68	142.35	+ 0.68

AMEX Diary

	Close	Prev.
Advanced	261	268
Declined	219	212
Unchanged	327	326
Total issues	807	806
New Highs	14	13
New Lows	7	5

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	350.01	+ 0.97	339.04	322.23
Industrials	360.19	+ 0.68	351.84	334.31
Banks	463.40	+ 5.34	457.87	436.65
Insurance	454.27	+ 2.40	447.29	432.31
Utilities	351.86	+ 0.49	350.38	303.24
Transp.	271.14	+ 0.42	274.53	246.35
Nonfin.	348.97	+ 1.84	340.74	316.39

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Wickes	1368	3⅝	3⅛	3⅝	
MCI	1337	29⅝	28⅝	29⅝	+ ⅛
Instrset	1021	2⅝	2⅝	2⅝	+ ⅛
Amdahl	963	25⅝	25⅛	25⅝	+ ⅛
Alex P	921	16⅝	15⅝	16⅝	+ ⅛
ProAir	857	25⅝	25⅛	25⅝	+ ⅛
Wang B	723	17⅝	17⅛	17⅝	+ ⅛
Hecla	719	3⅝	3⅛	3⅝	
ITE	703	3⅝	3⅛	3⅝	
Enstar	692	34⅝	34⅛	34⅝	+ ⅛
NYTimes	592	36⅝	36⅛	36⅝	+ ⅛
Fluor M	587	11⅝	11⅛	11⅝	+ ⅛
NtPoint	576	11⅝	11⅛	11⅝	+ ⅛
Alex Sr	563	9⅝	9⅛	9⅝	+ ⅛
Altos s	563	9⅝	9⅛	9⅝	

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	91.24	— 0.07
10 Utilities	90.49	— 0.14
10 Industrials	91.15	— 0.01

NYSE Diary

	Close	Prev.
Advanced	793	591
Declined	1203	1405
Unchanged	548	464
Total issues	2544	2460
New Highs	11	18
New Lows	11	20

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh/vt
Dec. 24	211,416	223,427	.425
Dec. 23	383,319	1,000,024	1.897
Dec. 22	439,846	742,771	1.413
Dec. 19	545,494	974,145	1.867
Dec. 18	714,530	919,978	2.119

*Included in the sales figures.

Dow Jones Averages

	Open	High	Low	Last	Chg.
30 Indus	1927.69	1929.12	1919.31	1920.48	+ 3.58
20 Trans	921.26	923.57	914.38	919.45	+ 1.51
15 Util	224.18	225.07	222.54	224.40	+ 0.31
65 Comp	785.41	785.84	783.81	785.20	+ 0.51

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	275.55	274.07	275.13	+ 0.33
Transp.	200.29	199.00	199.71	+ 0.61
Utilities	114.77	113.97	114.31	+ 0.05
Finance	27.69	27.41	27.54	+ 0.07
SP 500	242.99	240.73	242.57	+ 0.17
SP 100			232.06	+ 0.19

NASDAQ Diary

	Close	Prev.
Advanced	897	1,054
Declined	771	614
Unchanged	2,647	2,585
Total issues	4,311	4,253

AMEX Stock Index

High	Low	Close	Ch'ge
264.14	263.37	264.10	+ 0.55

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Shares Gain in Slow U.S. Trade

United Press International

NEW YORK — Stock prices advanced Friday in the year's slowest session on the New York Stock Exchange as most investors stretched the Christmas holiday into a four-day weekend.

About 48.86 million shares changed hands, compared with 95,460,000 Wednesday, the day before Christmas.

The Dow Jones industrial average advanced 3.52 to 1938.40. For the week, the Dow gained 4.08 points.

Gainers outnumbered losers 762-591 among the 1,887 issues crossing the NYSE tape.

Friday's session, sandwiched between Christmas Day and the weekend, was even quieter than Oct. 13, when 54,990,500 shares changed hands as investors stayed out for the Columbus Day and Yom Kippur holidays. The day after Christmas last year was the slowest trading day in 1985; 62,054,600 shares changed hands that day.

"There's nothing to say," said Robert Kahan, head of equity trading at Montgomery Securities in San Francisco. "The market is trendless, there's a total lack of institutional interest; no one is here. It's a shame the New York Stock Exchange had to open today."

Mr. Kahan said he expects next week to be quiet as well as many investors turn New Year's Day, which falls on Thursday, into another long weekend.

"We have to wait until after the first of the year to see which way the market will go," Mr. Kahan said.

Analysts said pharmaceutical maker Merck, up 4⅛ to 127⅛, was mainly responsible for the gain in the Dow industrial average. The stock was gaining on recent news reports highlighting a new anti-cholesterol drug, which the company noted is not yet available.

Commonwealth Edison was the most active NYSE-listed issue, unchanged at 33⅝.

Nynex followed, rising ⅛ to 67.

Southern California Edison was third, unchanged at 34⅞. The stock begins trading ex-dividend Monday.

Among blue chips, Merck jumped 5¼ to 128⅛. IBM was unchanged at 122. USX slipped ⅛ to 21⅝ and General Motors rose ⅛ to 67⅛.

Led by Merck, other drug stocks topped the list of gainers. Smithkline Beckman jumped 2 to 93⅞. Pfizer rose 2 to 62⅞. Bristol-Myers climbed 1⅞ to 84⅞. Warner-Lambert added 1¼ to 60⅛ and Squibb rose 1⅛ to 118⅛.

Broad market gauges rose. The New York Stock composite index rose 0.14 to 141.14. The price of an average share climbed 4 cents.

Nationwide turnover in NYSE-listed issues, including trades in stocks on regional exchanges and in the over-the-counter market at 4 P.M. totaled 56,659,900 shares, compared with 110,273,100 in the previous session.

Prices rose in active trading on the American Stock Exchange.

(Continued on next page)

Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

Soviet Says Production Of Gas and Grain Rises

The Associated Press

MOSCOW — Production of natural gas rose during 1986, and grain production was better than average, Tass news agency reported on Friday.

It said that on Friday, gas production reached its target for the year of 672 billion cubic meters (873.6 billion cubic yards), and that an additional 12 billion cubic meters were expected to be produced by year's end.

A report by the Central Statistical Board in January said the 1985 target of 630 billion cubic meters had been met, but did not give the exact figure for the year.

Tass said that gas output in the Soviet Union, already the world's biggest producer, would reach at least 835 billion cubic meters a year by the end of the 1980s.

It said the increase would come primarily from development of deposits in Western Siberia.

There was no indication of this year's oil production, which has been falling steadily for two years.

As reported in other statistical journals, grain production rose to 210 million tons, up from about 190 million last year and 30 million tons higher than the average output for the past five years.

But targets set by the food program for this year have not been reached, Tass said, quoting Gennady Romanenko, a deputy chairman of the State Committee for Agriculture.

"The country needs to get 230-255 million tons to set off losses of climatically difficult years," he said.

Mr. Romanenko said that the Soviet Union boosted production of rye, rice, soybeans, potatoes, vegetables and other crops this year, but that oat production fell short of planned amounts.

Output figures were not given for those crops.

Meat, milk and egg production will be above plan, the agency reported.

Increased production in many agricultural fields was attributed to the application of better technology and expansion of fallow lands.

Knudsen to Sell Business For Total of $25 Million

The Associated Press

LOS ANGELES — Knudsen Corp., the troubled dairy operator, said Friday it agreed to sell its Texas and Louisiana operations to Associated Milk Producers of Arlington, Texas, for $25.5 million.

Knudsen, which operates Knudsen and Foremost dairies, has been liquidating assets since seeking protection from its creditors under Chapter 11 of federal bankruptcy laws in July.

Involved in the latest transaction were Knudsen's Scheppa Dairy in Dallas and Foremost facilities in Dallas, Fort Worth and San Antonio, Texas, and Shreveport, Louisiana. Texas and Louisiana constitute the bulk of the company's central division.

Bonn Vows to Fight U.S. Curbs On Imports of Machine Tools

United Press International

BONN — The government will demand that the United States retract the restrictions it has placed on imports of machine tools from West Germany, an aide to Chancellor Helmut Kohl said in a newspaper interview Friday.

Wolfgang Schäuble, the cabinet-level official who is in charge of Mr. Kohl's chancellery, said in an interview with the Cologne Express that the U.S. move violated the General Agreement on Tariffs and Trade. Mr. Schäuble said the government would not accept the U.S. move and would demand retraction of the curbs.

CGE, ITT to Sign Accord On Worldwide Venture

Agence France-Presse

PARIS — The French electronics group Cie. Générale d'Electricité and ITT Corp. of the United States are to sign an accord Tuesday in Brussels to create a worldwide telecommunications consortium, sources at ITT said Friday.

The joint company, Teleglobal Communications NV, will have its headquarters in Amsterdam and will be controlled and directed by CGE.

The consortium, expected to be the second-largest telecommunications group in the world and the leading group in cable manufacturing, will operate in 75 countries, including 15 in Europe, and will employ 150,000 people.

U.S. Futures

Via The Associated Press

Dec. 26

Grains

WHEAT (CBT)
5,000 bu minimum-dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.82	2.92½	Mar	3.37½	3.37½	3.29½	3.29½	-.41½
3.71½	2.92½	May	3.24½	3.24½	3.16½	3.16½	-.41½
3.69½	2.93½	Jul	3.44½	3.44½	3.36½	3.36½	-.39½
3.50	2.94½	Sep				3.47½	-.39½
3.50	2.94½	Dec	3.63	3.63	3.52	3.52	-.39½

Est. Sales 1,278 Prev. Sales 1,278
Prev. Day Open Int. 25,973 off 172

CORN (CBT)
5,000 bu minimum-dollars per bushel

2.42½	1.82	Mar	1.90½	1.91½	1.87½	1.87½	-.01
2.37	1.82	May	1.90½	1.91½	1.87½	1.87½	-.01½
2.32	1.77½	Jul	1.82½	1.83½	1.79½	1.79½	-.01
2.27	1.77½	Sep	1.76½	1.76½	1.74½	1.74½	-.01
2.17	1.72½	Dec	1.69½	1.69½	1.68½	1.68½	-.01
1.94	1.69½	Mar	1.64½	1.65½	1.64½	1.64½	-.01
1.94	1.69½	May	1.64½	1.65½	1.64½	1.64½	-.01

Est. Sales 1,000 Prev. Sales 1,237
Prev. Day Open Int. 118,630 up 768

SOYBEANS (CBT)
5,000 bu minimum-dollars per bushel

5.92	4.87	Mar	4.97½	4.97½	4.92½	4.92½	-.02½
5.92	4.87	May	4.97½	4.97½	4.92½	4.92½	-.02½
5.77½	4.92½	Jul	4.98½	4.98½	4.93½	4.93½	-.01½
5.60½	4.95½	Aug	4.96½	4.96½	4.96½	4.96½	-.01½
5.42	4.96	Sep	4.95½	4.95½	4.95½	4.95½	-.01½
5.14	4.96	Nov	4.95½	4.95½	4.95½	4.95½	-.01½
5.14	4.96	Jan	4.96½	4.96½	4.96½	4.96½	-.01½

Est. Sales 7,285 Prev. Sales 5,285
Prev. Day Open Int. 84,877 off 550

SOYBEAN MEAL (CBT)
100,000-pounds-dollars per ton

163.50	141.00	Jan	143.40	143.60	141.40	141.90	-.30
163.10	142.00	Mar	143.70	143.70	141.90	141.90	-.30
163.50	142.00	May	143.90	143.90	142.00	142.00	-.30
163.00	142.00	Jul	143.90	143.90	142.00	142.00	-.30
161.50	142.00	Aug	143.50	143.50	142.00	142.00	-.30
157.30	142.00	Sep	143.00	143.00	142.00	142.00	-.30
156.00	142.00	Oct	143.00	143.00	142.00	142.00	-.30
156.00	142.00	Dec	143.00	143.00	142.00	142.00	-.30

Est. Sales 2,454 Prev. Sales 4,021
Prev. Day Open Int. 33,877 up 17

SOYBEAN OIL (CBT)
60,000 lbs.-cents per lb.

26.00	13.61	Jan	15.43	15.60	15.41	15.55	+.08
26.00	14.00	Mar	15.60	15.78	15.60	15.75	+.08
26.00	14.10	May	15.80	15.98	15.80	15.95	+.08
26.00	14.20	Jul	16.00	16.18	16.00	16.15	+.08
26.00	14.25	Aug	16.15	16.30	16.15	16.30	+.08
26.00	14.40	Sep	16.30	16.45	16.30	16.45	+.08
26.00	14.60	Oct	16.11	16.11	16.11	16.11	+.07
26.00	14.80	Dec				16.11	+.07
17.10	13.80	Jan	14.30	14.30	14.30	14.30	+.30

Est. Sales 1,621 Prev. Sales 4,021
Prev. Day Open Int. 33,277 up 17

Livestock

CATTLE (CME)
40,000 lbs.-cents per lb.

66.00	51.75	Feb	54.75	54.95	54.47	54.45	-.17
59.97	51.30	Apr	54.45	54.65	54.47	54.57	+.05
60.00	54.25	Jun	55.65	55.77	55.45	55.70	+.15

Currency Options

Dec. 26

PHILADELPHIA EXCHANGE

Options	Strike Price	Calls-Last Feb	Mar	Jun	Puts-Last Feb	Mar
Underlying						
62,500 British Pounds-cents per unit.						
BPound	145			3.35	r	1.80 r
62,500 West German Marks-cents per unit.						
DMark	46	r	r	3.39	r	r
DMark	47	r	r	r	0.62	0.17 r
DMark	50	1.12	r	1.60	0.13	0.33 r
DMark	51	0.61	r	r	0.35	0.56 r
DMark	52	0.11	0.50	r	r	r
DMark	53	r	0.14	r	r	r
6,250,000 Japanese Yen-hundths of a cent per unit.						
JYen	61	1.60	r	r	r	0.33
JYen	62	0.93	r	1.38	0.37	1.04
JYen	63	r	r	0.65	0.67	r
JYen	64	r	r	0.41	r	r
JYen	65	0.01	r	0.30	r	r
JYen	66	r	r	0.21	r	r
62,500 Swiss Francs-cents per unit.						
SFrnc	72	r	r	0.03	r	r
SFrnc	80	1.26	r	0.18	r	r
SFrnc	82	r	r	0.32	r	r
SFrnc	85	r	r	0.13	r	r
SFrnc	86	r	r	0.07	r	r

Total call vol. 4,012 Call open int. 427,268
Total put vol. 1,497 Put open int. 336,811
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

Financial

U.S. T. BILLS (IMM)
$1 million-pts of 100%

94.25	89.30	Mar	94.23	94.24	94.22	94.24	
94.25	89.45	Jun	94.23	94.24	94.22	94.24	
94.25	91.40	Sep	94.24	94.25	94.24	94.25	
94.25	91.45	Dec				94.25	
94.15	90.00	Mar	94.40	94.40	94.40	94.40	+.05
94.15	90.00	Jun				94.13	+.04

Est. Sales 1,245 Prev. Sales 1,245
Prev. Day Open Int. 35,535

10 YR. TREASURY (CBT)
$100,000 prin-pts & 32nds of 100pct

104-17	99-13	Mar	104-12	104-12	104-5	104-10	
103-21	99-6	Jun	103-16	103-16	103-10	103-15	
102-1	98-22	Sep				102-21	
101-15	96-20	Dec				101-27	

Est. Sales 1,793 Prev. Sales 1,793
Prev. Day Open Int. 53,240

US TREASURY BONDS (CBT)
$100,000 prin-pts & 32nds of 100pct

107-31	99-10	Mar	100-12	100-12	100-4	100-8	
102-8	97-13	Jun	99-24	99-24	99-16	99-20	
101-20	96-4	Sep	99-7	99-10	99-2	99-6	
100-31	95-24	Dec	98-24	98-24	98-18	98-21	
100-24	97	Mar	98-3	98-11	98-3	98-4	
99-23	95-25	Jun	98-18	98-18	98-10	98-11	
99-13	96-8	Sep				98-30	
99-2	96-24	Dec	93-25	93-25	93-21	93-21	
97-18	95-10	Mar				97-7	
97-10	95-10	Jun				97-2	
97-14	94-26	Sep				97-19	

Est. Sales 12,640 Prev. Day Open Int. 234,213 up 4,500

MUNICIPAL BONDS (CBT)
$1000 prin-pts & 32nds of 100pct

100-11	93-6	Mar	100-1	100-12	100-0	100-11	+5
99-16	93-10	Jun				99-3	+5

Est. Sales Prev. Sales 258
Prev. Day Open Int. 7,520 up 14

CERT. DEPOSIT (IMM)
$1 million-pts of 100%

94.40	89.30	Mar				94.37	+.01
94.15	91.15	Sep				94.25	

Est. Sales Prev. Sales 5,438
Prev. Day Open Int. 207,473 up 902

EURODOLLARS (IMM)
$1 million-pts of 100 pct.

94.53	87.64	Mar	93.97	93.98	93.96	93.97	+.01
94.18	88.64	Jun	93.49	93.49	93.46	93.47	
93.98	89.50	Sep	93.11	93.12	93.09	93.09	
93.70	90.25	Dec	92.77	92.77	92.73	92.74	
93.49	90.94	Mar	92.49	92.49	92.47	92.49	+.01
93.21	91.70	Jun	92.21	92.21	92.19	92.21	
92.93	91.70	Sep	92.02	92.02	92.00	92.01	+.01
92.73	92.12	Dec	92.02	92.02	92.00	92.00	+.01

Est. Sales Prev. Sales 5,438
Prev. Day Open Int. 1,287,473 up 10,192

EUROPEAN CURRENCY (IMM)
125,000 units

DMark	106.30	Mar				105.61	+.1a

Est. Sales Prev. Sales
Prev. Day Open Int. 4

BRITISH POUND (IMM)
$ per pound-1 point equals $12.5001

1.4170	1.3400	Mar	1.4490	1.4490	1.4410	1.4455	-.30
1.4420	1.3550	Jun	1.4250	1.4250	1.4250	1.4250	-.30

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Season High	Season Low		Open	High	Low	Close	Chg.
1.4428	1.3420	Sep	1.4028	1.4028	1.4000	1.4115	-.30
1.3470	1.3750	Dec	1.3940	1.3940	1.3940	1.3940	-.30

Est. Sales 17,896 Prev. Sales 5,932
Prev. Day Open Int. 33,227 up 455

CANADIAN DOLLAR (IMM)
$ per dlr-1 point equals $0.0001

.7250	.6770	Mar	.7120	.7122	.7100	.7102	-.22
.7210	.6800	Jun	.7100	.7102	.7080	.7082	-.22
.7210	.6900	Sep	.7102	.7102	.7070	.7080	-.22
.7100	.6950	Dec	.7080	.7080	.7060	.7060	-.22

Est. Sales 4,037 Prev. Sales 1,806
Prev. Day Open Int. 15,830 up 243

JAPANESE YEN (IMM)
$ per yen-1 point equals $0.000001

.15310	.14680	Mar				.15310	

Est. Sales 1 Prev. Sales 1
Prev. Day Open Int.

SWISS FRANC (IMM)
$ per franc-1 point equals $0.0001

.5400	.4970	Dec					

Est. Sales Prev. Sales
Prev. Day Open Int.

BRITISH POUND (IMM)
$ per pound-1 point equals $0.0001

1.4170	1.3400	Mar	1.4490	1.4490	1.4410	1.4455	-.30
1.4420	1.3550	Jun	1.4250	1.4250	1.4250	1.4250	-.30

Est. Sales 17,896 Prev. Sales 5,932
Prev. Day Open Int. 33,227 up 455

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.7210	.6800	Jun	.7100	.7102	.7080	.7082	-.22
.7210	.6900	Sep	.7102	.7102	.7070	.7080	-.22
.7100	.6950	Dec	.7080	.7080	.7060	.7060	-.22

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Est. Sales 1 Prev. Sales 1
Prev. Day Open Int.

SWISS FRANC (IMM)
$ per franc-1 point equals $0.0001

.5400	.4970	Dec					

Est. Sales Prev. Sales
Prev. Day Open Int.

Industrials

LUMBER (CME)
$ per 1,000 bd. ft.-1 point equal $1.000 bd. ft.

189.50	150.00	Mar	163.40	163.60	163.40	163.40	+.10
189.50	150.00	May	163.40	163.60	163.40	163.40	+.10
177.00	150.10	Jul	163.40	163.60	163.40	163.40	+.10
177.00	150.10	Sep	163.40	163.40	163.40	163.40	+.10
172.00	150.00	Nov				160.50	
172.00	150.00	Jan				160.70	

Est. Sales 179 Prev. Sales 404
Prev. Day Open Int. 8,448 up 88

Stock Indexes

SP COMP. INDEX (CME)
points and cents

249.00	236.00	Mar	248.00	248.40	247.45	247.70	-.40
252.50	239.00	Jun	251.00	251.00	250.00	250.00	-.40
255.40	250.00	Sep	249.35	249.35	249.35	249.35	-.40
258.00	241.00	Dec	249.35	249.35	249.35	249.35	-.40

Est. Sales 4,448 Prev. Sales 15,156
Prev. Day Open Int. 72,067 up 897

VALUE LINE (KCBT)
points and cents

229.00	210.00	Mar	226.20	226.20	226.40	226.35	-.05
229.00	210.00	Jun	227.00	227.00	227.00	227.00	-.05
228.50	224.30	Sep				227.00	-.05

Est. Sales 1,414 Prev. Day Open Int. 7,934 off 2,587

NYSE COMP. INDEX (NYFE)
points and cents

145.00	128.00	Mar	142.10	142.35	141.80	141.85	-.35
147.00	131.50	Jun	142.75	142.75	142.35	142.35	-.35
148.00	134.00	Sep	143.25	143.25	143.25	143.25	-.35
		Dec	143.75	143.75	143.75	143.45	-.35

Est. Sales 574 Prev. Sales 1,413
Prev. Day Open Int. 10,882 up 222

Commodity Indexes

	Close	Previous
Moody's	Clsd. f	901.90 f
Reuter's	Clsd.	1,443.70
D.J. Futures	115.01	114.76
Com. Research	208.74	208.50

Moody's : base 100 : Dec. 31, 1931.
f - Preliminary; f - final.
Reuter's : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CAT: Chicago Board of Trade
CME: Chicago Mercantile Exchange
IMM: Chicago Mercantile Exchange, IO Chicago Mercantile Exchange
NYFE: New York Cotton Exchange
CSCE: New York Coffee, Sugar, Cocoa Exchange
NYCE: New York Cotton Exchange
COMEX: Commodity Exchange, New York
NYMEX: New York Mercantile Exchange
KCBT: Kansas City Board of Trade
NYFE: New York Futures Exchange

Asian Commodities

Dec. 26

SINGAPORE GOLD FUTURES
U.S.$ per ounce

Feb	High N.T.	Low N.T.	Settle 394.00	Prev. 392.40

Volume: 0 lots of 100 oz.

KUALA LUMPUR RUBBER
Malaysian cents per kilo

	Close	Open	High	Low	Previous Close
Jan	321.50	321.50	321.50	321.50	321.50
Mar	321.50	321.50	321.50	321.50	322.50
May	321.50	321.50	321.50	321.50	323.50
Jul	321.50	321.50	321.50	321.50	324.50
Sep	321.50	321.50	321.50	321.50	325.50
Nov	325.50	325.50	325.50	325.50	327.50

Volume: 0 lots.

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 kilos

	Close	Open	High	Low	Previous Close
Jan	714.00	720.00	705.00	705.00	714.00
Feb	724.00	729.00	713.00	714.00	724.00
Mar	729.00	729.00	717.00	720.00	729.00
Apr	740.00	744.00	730.00	730.00	740.00
May	738.00	738.00	727.00	727.00	738.00
Jun	728.00	728.00	717.00	722.00	728.00
Jul	728.00	728.00	720.00	720.00	728.00
Sep	742.00	742.00	730.00	730.00	742.00
Nov	757.00	757.00	735.00	735.00	757.00

Source: Reuters.

S&P 100 Index Options

Dec. 26

Strike Price	Calls-Last Jan	Feb	Mar	Puts-Last Jan	Feb	Mar
215	—	—	—	1/16	—	—
220	—	—	—	1/16	1/16	—
225	—	—	—	1/16	1/16	1/16
230	—	—	—	1/16	1/16	3/16
235	—	—	—	1/16	3/16	5/16
240	—	—	—	3/16	7/16	—
245	—	—	—	7/16	—	—
250	1/16	5/16	—	—	—	—

Total call volume 18,725
Total call open int. 305,180
Total put volume 9,000
Total put open int. 436,450
Index:
High 235.15 Low 235.72 Close 235.16 + 0.14

Source: CBOE.

U.S. Treasuries

Dec. 26

	Bid	Discount Offer	Yield	Prev. Yield
3-month bill	5.54	5.54	5.77	n.a.
6-month bill	5.39	5.37	5.66	n.a.
1-year bill	5.16	5.14	5.43	n.a.

	Bid	Offer	Yield	Yield
30-yr. bond 101 30/32		102	7.34	n.a.

Source: Salomon Brothers.

Merrill Lynch Treasury index: n.a.
Change for the day: n.a.
Average yield: n.a. %
Source: Merrill Lynch.

Spot Commodities

Dec. 26

Commodity	Today	Prev.
Aluminum, lb	30.50	30.50
Coffee, lb	1.40	1.40
Copper, electrolytic, lb	65-67c	65-67c
Copper, LME	1,130.00	1,134.00
Lead, lb	36.39	36.39
Pork bellies, lb	n.a.	n.a.
Silver, troy oz	4.60	4.60
Steel (billet), ton	473.00	473.00
Steel (scrap), ton	74.00	74.00
Tin, lb	4.0495	4.0495
Zinc, lb	0.44	0.44

Source: AP.

Dividends

Dec. 26

Company	Per	Amt	Pay	Rec
STOCK				
Santa Monica Bank	SPC	3-3	1-4	

s-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

World Stock Markets

Via Agence France-Presse Dec. 26

Closing prices in local currencies unless otherwise indicated.

Paris

Air Liquide	711	702
Airbus Ind.	528	527
Av Dassault	1,320	1,300
BSN	1,820	1,790
Bull	15	14
Carrefour	2,080	2,070
Cimentais	1,000	1,000
BSN-GD	4,600	4,610
Cofiroute	375	372
Charpentrs	1,410	1,320
Dumez	732	722
Dorty	476	475
Eaux (Lyon)	1,000	1,000
Elf Aquitaine	195	193
Eurotunnel	24	24
Gen Occ	1,241	1,246
Hachette	1,901	1,911
Imetal Ste Cle	1,180	1,181
Lafarge	1,300	1,300
Lagardr	1,495	1,481
Worms	1,010	1,010
L'Oreal	2,750	2,730
Lucia	1,000	1,000
Matrin	1,360	1,360
Michelin	1,860	1,860
Moulinex	1,000	1,000
Moet Hennessy	2,820	2,800
Pechiney	1,000	1,000
Occidentale	1,000	1,004
Perrier	1,000	1,000
Peugeot	1,000	1,000
Pechiney	1,000	1,000
Rhone-Poulenc	1,000	1,000
Saint-Louis	1,000	1,000
Sanofi	1,000	1,000
Saint Gobain	1,000	1,000
Sagem	1,000	1,000
Sommer Allibert	1,000	1,000
Souget Ucial	1,000	1,000
Suez	1,000	1,000
Tele Rheinland	1,000	1,000
Thomson CSF	1,000	1,000
Total	1,000	1,000

CAC Index : 1,000
Previous : 1,000

Singapore

Citibank	4.40	4.34
Cold Storage	3.80	3.84

Tokyo

DBS	8.55	8.65
Fraser Neave	5.10	5.10
Geco	4.80	4.80
Hong Leong	1.70	n.a.
Inchcape	2.77	2.77
Keppel	6.75	6.85
Kim Eng	3.00	3.00
Malayan Bank	4.75	4.75
Malayan Banks	5.00	5.00
Malayan Tobacco	6.00	6.00
Metro	2.10	2.10
Oue	3.30	3.30
OUB	5.45	5.45
Sime Darby	2.70	2.70
Singapore Airlines	6.25	6.30
Sing Land	7.00	7.00
Sing Press	4.10	4.10
Sing Telecom	1.63	1.63
S. Trading	1.00	1.00
UOB	4.42	4.40
United Overseas	7.30	7.30

Straits Times Ind. Index : 901.20
Previous : 902.57

Kamatsu	493	497
Kubota	347	346
Kumagai	400	400
Matsu Elec Indst	2,130	2,140
Matsu Elec Works	1,140	1,150
Mitsubishi Bank	1,820	1,790
Mitsubishi Chem	1,000	1,000
Mitsubishi Elec	1,000	1,000
Mitsubishi Heavy	1,000	1,000
Mitsubishi Corp	1,000	1,000
Mitsui and Co	1,000	1,000
Mitsukoshi	1,000	1,000
Nikon	1,000	1,000
Nippon Oil	1,000	1,000
Nippon Steel	1,000	1,000
Nissan Motors	1,000	1,000
Nomura	1,000	1,000
Olympus	1,000	1,000
Pioneer	1,000	1,000
Sanyo	1,000	1,000
Sharp	1,000	1,000
Sumitomo	1,000	1,000
Sumitomo Chemical	1,000	1,000
Taisei	1,000	1,000
Tokyo Marine	1,000	1,000
Toshiba	1,000	1,000
Toyota	1,000	1,000
Yamaichi Sec	1,000	1,000

Nikkei 225 : 18,026.48
Previous : 18,073.26
New Index : 1,542.64
Previous : 1,547.41

Soviet Union Intensifies Its Campaign Against NATO Missile Plan

The International Herald Tribune. Bringing the World's Most Important News to the World's Most Important Audience.

KIAM: *Remington Boss, as a Global Salesman, Offers More Than Shavers*

(Continued from first finance page)

nies have been aggressively marketing new shaver models.

For its part, Remington plans to introduce a top-of-the line electric shaver next year. And it recently added an advanced shaver — designed with sanitary, disposable shaving heads — for use in hospitals and doctors' offices.

Meanwhile, other ventures by Mr. Kiam and Remington promise to have a greater bearing on the company's growth.

The most promising, he said, is the company's portable carpet cleaner, the "Vic-Vac," which is being displayed prominently by K mart and other major retailers during the holiday shopping season.

Remington purchased the rights to market the device this year from a Canadian inventor. Although the Vic-Vac is being made in Hong Kong, Mr. Kiam said that the manufacturing would be moved to Bridgeport or another U.S. location if the product proved to be a long-term success.

Remington's other products extend its interests far beyond shavers, but few have gained large markets.

> 'What we've got to do is find things that look great and really turn out to be great when you put them in the stores.'
>
> — *Victor Kiam,*
>
> *Chairman of Remington Products*

One is a line of compact travel kits, equipped with combs, scissors and other utensils, that was introduced to U.S. consumers in 1985, just when the strength of the dollar and incidents of terrorism reduced travel abroad.

Other Remington-brand products, introduced over the last three years, include hair clippers and a security device that sounds an alarm when a toddler falls into a swimming pool.

In a series of acquisitions, Mr. Kiam has also gained control of several small companies that were in trouble, sometimes in bankruptcy proceedings.

These include Act II, a Chicago company that markets jewelry through home presentations; a Wilmington, North Carolina, company that makes neckties and other clothing, and Pic-Design, a Middlebury, Connecticut, distributor of ball bearings, sprockets and tools.

Remington's growth, Mr. Kiam added, will be fueled by "unique selling propositions."

The concept is described in his book as finding new products and services that are unlike any others. As Mr. Kiam said: "What we've got to do is find things that look great and really turn out to be great when you put them in the stores."

Although Remington's acquisitions and new products have so far experienced slow growth, colleagues of Mr. Kiam say they reflect a corporate strategy that will take time.

"Victor is operating on the same principle he used with Remington shavers," said Mr. Simons, the Remington director. "You buy a company cheap, cut costs, work hard and eventually turn things around."

Cuts Expected At Nippon Steel

Reuters

TOKYO — A strong yen, slumping exports and low domestic demand are forcing Nippon Steel Corp., the world's largest steel maker, to consider sharp cuts in its work force and production capacity, according to a company spokesman.

The business daily Nihon Keizai Shimbun said Nippon Steel would cut its work force by 30 percent and reduce capacity from an annual 35 million metric tons (36.3 million short tons) to 24 million.

Last month Nippon Steel predicted a parent company loss of 100 billion yen ($617.28 million) in the year ending March 31, against last year's profit of 36.07 billion yen.

JAPAN: *Trade Surplus Narrowed Again in November*

(Continued from Page 1)

means export volume can slump while the dollar-denominated surplus rises. The yen has risen more than 20 percent against the dollar this year.

The consequent harm to Japan's manufacturing export companies, which drive the economy, has led the government to cut forecasts of a healthy 4-percent growth this fiscal year. The Economic Planning Agency now believes 3.5 percent is possible, but most private forecasters would cut at least one percentage point off that prediction.

Government planners pin their hopes of recovery on their ability to persuade Japanese consumers to spend vast savings.

The Finance Ministry honored a government promise to put the state's finances in order and proposed on Thursday the tightest budget in 32 years for 1987-88, a mere 0.03-percent spending rise to 54.101 trillion yen ($336 billion).

Japan also revealed this week a sweeping tax change aimed at cutting corporate and personal taxes. The main complaint about the change is that the cuts are not enough to stop the economic slowdown while a proposal for an indirect sales tax to make up lost revenues will slow domestic consumption.

To quiet demands for more help for domestic business, and to make it clear that Japan is serious about replacing exports with home-grown growth, the budget proposes allocating more resources to large public works.

The move is necessarily limited, economic analysts said. Finance Minister Kiichi Miyazawa said on Wednesday that the proposal was the best Japan could do under the circumstances.

In a final report Friday, the Management and Coordination Agency said that the cost of living in Tokyo went up an estimated 0.9 percent in 1986, the smallest rate of inflation in 30 years.

The report attributed the low rise to the yen's appreciation against the dollar and to lower prices for crude oil. *(Reuters, AFP, UPI)*

■ **Vehicle Exports Down**

Japan's exports of cars, trucks and buses fell 15.1 percent in November from a year earlier to 516,928 units, the sharpest decline on record, the Associated Press reported Friday from Tokyo.

The Japan Automobile Manufacturers Association said the decline followed a drop of 9.4 percent in October over the same month a year ago. November marked the fifth consecutive month of decline over 1985 exports.

The association laid faltering demand in major markets to the yen's steep appreciation since late 1985.

Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close	Net Chge
		A								
14⅝	4⅝	ACI Hld				322	14⅝	14⅛	14½	
12⅝	10	ACI pf	.70	6.2		10	12⅝	12⅝	12⅝	+ ⅛
7⅝	3⅝	AL Labs s	.10	1.6	11	7	6⅝	6⅝	6⅝	+ ⅛
16⅝	9	AMCE				10	11⅝	11⅝	11⅝	+ ⅛
7⅝	3⅝	AM Intl				194	4⅝	4⅝	4⅝	+ ⅛
30½	14½	AM Intl pf2.00	7.3			1	27½	27½	27½	
7⅝	3⅝	AFP Imag			18	3	3⅝	3⅝	3⅝	
10⅝	7⅝	ACM Opp	.54	7.1	7	3	7⅝	7⅝	7⅝	
12⅝	7⅝	ACM Spt	.72	7.2	7	3	10	10	10	
10⅝	7⅝	Action	.12a	1.3	13	2	9⅝	9⅝	9⅝	
7⅝	1⅝	Action				3	1⅝	1⅝	1⅝	
7⅝	1⅝	Actv Ind				2	1⅝	1⅝	1⅝	
7⅝	1⅝	Actv Rl				2	1⅝	1⅝	1⅝	
7⅝	1⅝	Actv Wts				2	1⅝	1⅝	1⅝	
23⅝	12⅝	AdVideo	.28f		10	13	21⅝	21⅝	21⅝	
7⅝	3⅝	AirExpr				3	4⅝	4⅝	4⅝	
7⅝	3⅝	Alamos				3	7⅝	7⅝	7⅝	
4⅝	1⅝	Alfa s				16	3⅝	3⅝	3⅝	
10⅝	6⅝	Alsto				10	7⅝	7⅝	7⅝	
10⅝	6⅝	AlstoCr				1	7⅝	7⅝	7⅝	
7⅝	3⅝	AlstoGr	.40	11.1	31	2	3⅝	3⅝	3⅝	
7⅝	3⅝	Altex s				37	4⅝	4⅝	4⅝	
4⅝	2⅝	AmBrit	.08	1.4		3	5⅝	5⅝	5⅝	
8⅝	4⅝	AmInfd	.24	4.5	32	244	5⅝	5⅝	5⅝	
13⅝	7⅝	AmBlt	.15	1.2	8	1	12⅝	12⅝	12⅝	
12⅝	7⅝	AmQtr n				4	12⅝	12⅝	12⅝	
3⅝	2⅝	AmCos				7	3⅝	3⅝	3⅝	
3⅝	1⅝	AmFFs wt				2	2⅝	2⅝	2⅝	+ ⅛
17	4⅝	AFruc A			14	10400	15⅝	15⅝	15⅝	+ ⅛
4⅝	2⅝	AFtWt s				1	3⅝	3⅝	3⅝	+ ⅛
17⅝	7⅝	AHlth				3	7⅝	7⅝	7⅝	
17⅝	7⅝	AIcyn	.20e	1.8	9	2	11⅝	11⅝	11⅝	
22⅝	12⅝	AMed				2	12⅝	12⅝	12⅝	
22⅝	12⅝	AMed pf	.92	7.4	6	2	12⅝	12⅝	12⅝	
7⅝	3⅝	AMtbk				188	3⅝	3⅝	3⅝	
7⅝	2⅝	AmOil				3	2⅝	2⅝	2⅝	
48⅝	40⅝	APall	.72			1	40⅝	40⅝	40⅝	
7⅝	4⅝	APrcs	.16	3.4	61	1	4⅝	4⅝	4⅝	
7⅝	4⅝	AmRlty	2.50pe	43.5	11	2	5⅝	5⅝	5⅝	
7⅝	3⅝	AmStan	.71i		9	1	6⅝	6⅝	6⅝	
12⅝	4⅝	ASciE			98	30	4⅝	4⅝	4⅝	
7⅝	3⅝	ASrv s				1	3⅝	3⅝	3⅝	
16⅝	3⅝	ATechC			11		3⅝	3⅝	3⅝	
12⅝	7⅝	Atlas pf				2	7⅝	7⅝	7⅝	
12⅝	7⅝	Atlas wt				2	7⅝	7⅝	7⅝	
7⅝	4⅝	A Ion pf	3.68	4.6		10	8⅝	8⅝	8⅝	
7⅝	4⅝	A Ion wt	.65	1.7		2	4⅝	4⅝	4⅝	
16⅝	5⅝	A Jetr pf				60	6⅝	6⅝	6⅝	
7⅝	3⅝	A Mrtr s				3	3⅝	3⅝	3⅝	
7⅝	3⅝	Amdat	.04	3.4	9	31	1⅝	1⅝	1⅝	
7⅝	3⅝	Angeles	1.87e	23.7		4	8⅝	8⅝	8⅝	+ ⅛
7⅝	3⅝	Angel wt				2	3⅝	3⅝	3⅝	+ ⅛
7⅝	3⅝	AngEn n				13	7⅝	7⅝	7⅝	+ ⅛
7⅝	3⅝	ArtCrn n				3	3⅝	3⅝	3⅝	+ ⅛
7⅝	3⅝	Armtrn				30	3⅝	3⅝	3⅝	
7⅝	3⅝	Armel				3	3⅝	3⅝	3⅝	+ ⅛
30⅝	19⅝	Arundl				304	20⅝	19⅝	19⅝	+ ⅛
7⅝	3⅝	Asarco	.30	3.7	18	2	8⅝	8⅝	8⅝	+ ⅛
17⅝	6⅝	Astrk				719	7⅝	7⅝	7⅝	
7⅝	3⅝	Astrlt				218	3⅝	3⅝	3⅝	
7⅝	3⅝	AtlCit	.12		9	142	4⅝	4⅝	4⅝	
7⅝	3⅝	Atlas				2	3⅝	3⅝	3⅝	
7	3	Atlas wt				3	4⅝	4⅝	4⅝	

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 26 Dec. 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bimonthly; (m) - monthly; (q) - irregularly.

AL MAL MANAGEMENT	
(w) AUMC Ltd Lux	$ 344.94
ABN AMRO BANK & CO. LN.	
(d) Capital	SF 454.00
(d) Gold	SF 436.00
(d) Eaulibor Amerlick	$ 1291.66
(d) Eaulibor Europe	SF 1443.00
(d) Eaulibor Global	SF 1016.00
(d) Grabel	SF 1835.00
(d) Rentelir	SF 1072.00
(d) SFG-BAER	SF 995.00
BAH MULTICURRENCY	
(d) Multicurrency Ust	$ 1,129.51
(d) Multicurrency Bas Tot	ECU 1,000.00
(d) Multicurrency Yen	YEN 202,073.00
BNP INTERFUND	
(w) Interfund Yen	$ 163.13
(w) Interfund Dollar	$ 1,115.21
(w) Interfund DM	DM 36.86
(w) Interactivity Sterling	£ 15.49
(w) Interactivity French Dflr	$ 10.27
(w) Interactivity Pacific Dflr	$ 16.95
(w) Interactivity Ecu Dflr	$ 11.08
BANQUE INDOSUEZ	
(w) Asian Growth Fund	$ 20.71
(w) Diversfond	SF 83.46
(w) FIF-Amerique	$ 18.46
(w) FIF-Europe	$ 35.20
(w) FIF-International	$ 13.49
(w) FIF-Pacifique	$ 12.60
(w) France Blue chips No I	FF 1049.20
(w) France Blue chips No II	FF 1003.53
(w) Indosuez Multibonds A	$ 123.85
(w) Indosuez Multibonds B	$ 136.47
(w) Indosuez USD (MJMF)	$ 167.91
(w) IPRA-C	$ 169.00
(w) Pacific Gold Fund	$ 10.04
B.F.A.C.A.	
(w) ECU Multiplacement	Ecu 1027.44
BRITANNIA S.D.V. Hellier, Jarvis	
(w) Brit.Dollar Income	$ 1,494.-
(w) Brit.Int'l Income Perf	$ 1,494.-
(w) Brit.Int'l Mkts Perf	$ 1,329.-
(w) Brit. Int'l Mkts Perf	£ 1,361.-
(w) Brit. Am. Inc. & Per	$ 1,274.-
(w) Brit.Gold Fund	$ 8,697.-
(w) Brit.Assets Currency	$ 17,44
(w) Brit. Japan Dir. Perf. Pa.	$ 2,461
(w) Brit.Japan Cap.Gr.	$ 9,937
(w) Brit. Olusan Glob.S	$ 13,23
(w) Brit. World Leis. Fund	$ 1,290
(w) Brit. World Techn. Fund	$ 9,957
BROWN BROTHERS INTERNATIONAL FUND	
(d) Non-Dollar Income	$ 10,04
(d) Non-U.Money Market	Dm 34,55
(d) Bond	$ 11,40
(d) Non-U Bond	Dm 27,30
(d) Global Equity	$ 13,39
(d) Global Bond	$ 10,49
(d) Asian Growth & Equity	$ 11,08
CAPITAL INTERNATIONAL	
(w) Capital Intl S.A.	$ 423,41
(w) Capital Intl Inc.	$ 31,84
CITICORP INVESTMENT BANK (Lux.)	
POB 1273 Luxembourg Tel. 477.75.71	
(d) Citinvest Ecu	ECU 1116,41
(d) Citinvest Liquidity	$ 1,063,12
(d) Citinvest Manag. Growth	$ 1048,86
CREDIT SUISSE (ISSUE PRICES)	
(d) Actions Suisses	SF 317,75
(d) Bond Yen Hong Kong Inc.	SF 184,65
(d) Bond Valor Diversifi	DM 187,65
(d) Bond Valor US-DOLLAR	$ 1,141,50
(d) Bond Valor Sterling	£ 1,125,-
(d) Bond Valor Yen	Yen 10,440,00
(d) Convert Valor Univ Trust	SF 135,13
(d) Convert Valor US-DOLLAR	$ 137,20
(d) Longchamp & Char. Warrants	SF 273,00
(d) CS Ecu Bond A	ECU 101,43
(d) CS Ecu Bond B	ECU 101,43
(d) CS Fonds-Bonds	SF 74,75
(d) CS Fonds Intl Unit Trust	SF 124,88
(d) CS Golden Bond A	FL 100,60
(d) CS Golden Bond B	FL 100,60
(d) CS Gold Valor	$ 349,00
(d) CS Money Market Fund	$ 1184,51
(d) CS Money Market Fund	DM 1108,54
(d) CS Money Market Fund	$ 1161,80
(d) CS Money Market Fd Yen	Y110,209,00
(d) CS Short-T. Bd $ A	$ 100,13
(d) CS Short-T. Bd $ B	$ 100,13
(d) CS Short-T. Bd DM A	DM 100,28
(d) CS Short-T. Bd DM B	DM 100,28
(d) Energie-Valor	SF 150,00
(d) Usec	SF 223,50
(d) Eurea-Valor	SF 204,50
(d) Technovalor	SF 290,73
DREXEL BURNHAM LAMBERT INC	
Winchester House, 77 London Wall	
LONDON EC2 (St Vincent)	
(m) Fitzwilliam Inc.	$ 136,46
(m) Winchester Diversified	$ 121,28
(m) Winchester Financial Ltd.	$ 8,3
(m) Winchester Frontier	$ 143,28
(m) Winchester Fund	FF 117,85
(m) Winchester Recovery Ltd	$ 17,05
(m) Worldwide Securities	$ 73,54
(m) Worldwide Special	$ 216,34
DYT INVESTMENT FUND	
(d) Canesvalor	DM 29,54
(d) Intl Remarketing	DM 82,51
EBC TRUST CO.(JERSEY) LTD.	
1-3 Seaton St.,St. Helier,Jersey JE4 8WN	
TRADED CURRENCY FUND.	
(b) d (Inc - Bd	$ 12,26 Offer 113,470
(b) (Acc - Bd	$ 16,14 Offer $ 16,544
INTERNATIONAL INCOME FUND	
(d) Short Term 'A' (Accum)	$ 1,620
(d) Short Term 'A' (Distr)	$ 0,979e
(d) Short Term 'B' (Accum)	$ 1,814
(d) Short Term 'B' (Distr)	$ 1,686
(w) Long Term	$ 29,37

F&C MGMT. LTD. INV. ADVISERS	
(d) Lawrence Pountney Hill, EC4 01-623 4680	
(d) F&C Enterprise	$ 18,67
(d) F&C Dividend	$ 16,47
(d) F&C Japan Trust	$ 56,74
(d) FIDELITY (Fidelity Hse Hamilton Bermuda)	
(m) Fid. Amer. Vol.I Com.	$ 40,48
(m) Fid. Amer. Vol.I Com.Prvt.	$ 40,48
(m) Fid. Amer. Vol.III Com.	$ 20,02
(m) Fid. Amer. Vol.III Com Prvt.	$ 20,02
(d) Fidelity Amer. Assets	$ 12,16
(d) Fidelity Discovery Fund	$ 19,42
(d) Fidelity Pacific	$ 17,27
(d) Fidelity For East Fund	$ 44,60
(d) Fidelity Int'l Fund	$ 25,77
(d) Fidelity Int'l Bond	$ 11,72
(d) Fidelity Int'l Sterling	£ 11,75
(d) Fidelity Pacific Fund	$ 28,33
(d) Fidelity Int'l Fin. Pfd	$ 10,27
(d) Fidelity World Fund	$ 23,25
FORBES PO Box 309 GT GEORGE TOWN CAYMAN	
London Agent 01-629-3013	
(w) Forbes High Inc. Gtr Fd	$ 8,20
(w) Forbes Hedge Inc.	$ 474,*
(w) Gold Appreciation	$ 1,07
(w) Forbes Int'l Fund	$ 1,00
EASTBOURNE FUND MANAGERS INT.	
1 Ballast Quay, Douglas, IOM 27201	
CAPITAL STRATEGY MG. LTD	
(d) Sterling Deposit	£ 1,014
(d) US Dollar Deposit	$ 1,000
(d) DM Deposit	DM 1,017
(d) Yen Deposit	Y 1,000
(d) Sw. Fr. Deposit	SF 1,142
(d) N. American	$ 10,07
(d) Japan	$ 9,39
(d) Pacific Basin	$ 10,07
(d) International growth	$ 5,28
(d) Europe	$ 10,07
(d) Arbitrage	$ 10,07
(d) Intercash, High Income	$ 1,12
(d) Intercash, Int'l Bond	Yen 9,234
(d) European Fund	$ 1,71
(d) ECU Bond	ECU 1,07
CAPITAL STRATEGY PORTFOLIO LTD.	
(d) Growth Inter Opt Port	$ 1,14
(d) Income Portfolio	$ 1,06
(d) Aggressive Port	$ 1,07
GEMINOR FUNDS.	
(d) GEMINOR INTERNATIONAL FUND	$ 714,32
(d) Sterling Inter Fund	£ 1,000,00
(d) Sterling Amer Fund	$ 1,161,00
GENEVA (Switzerland) 41-22/86235	
GLOBAL ASSET MANAGEMENT CORP.	
PB 119, St Peter Port, Guernsey, Brit. Isles	
(d) FuturGAM S.A.	$ 111,43
(d) GAM Arbitrage Inc.	$ 1,142,14
(d) GAMerica Inc.	$ 186,19
(d) GAM Boston Inc.	$ 14,12
(d) GAM Boston Int'l Inc.	$ 136,02
(d) GAM Boston Int'l Inc.	$ 1,107,07
(d) GAM Emerlange	$ 14,92
(d) GAM Emerlange Int. Inc.	$ 1,063,12
(d) GAM Franc-vest	SF 153,74
(d) N. American Inc. Bds.	PR 1122,64
(d) GAM Global Fund	$ 103,38
(d) GAM Hong Kong Inc.	$ 133,31
(d) GAM International Inc.	$ 211,28
(d) GAM Japan Inc.	$ 1,000,00
(d) GAM Japan Inc.	$ 12,97
(d) GAM N.Am. Unit Trust Inc.	19,56
(d) GAM N.Am. Unit Trust Annual	19,56
(d) GAM Pacific Inc.	$ 245,43
(d) Farm Bond & Char. Warrants	146,15
(d) GAM Pens & Char. U.K. Fd.	130,69
(d) GAMrest	$ 95,38
(w) GAM Singapore/Malay Inc.	$ 101,97
(w) GAM Sterl Int Unit Trust	£ 125,30
(w) GAM Tyche S.A. Class A	$ 139,33
(w) GAM U.K. Inc.	£ 1,000,00
(w) GAM U.S. Inc.	$ 189,66
(w) GAM Worldwide Inc.	$ 124,47
(w) GSAM Composite Inc.	$ 132,84
(w) GSAM Inc. US Gov Sec	$ 10,42
(w) GSAM Interest Inc. US Sec.	$ 116,32
(w) GSAM Interest Inc.	$ 104,37
(w) GSAM Interest Inc.	Yen 10,994
(w) GSAM Interest Inc.	DM 103,35
(w) GSAM Interest Inc.	$ 101,15
(w) GSAM Interest Inc. Pd Lnk	$ 10,40
G.T. MANAGEMENT (UK) LTD.	
(d) G.T. Asset-Science	SF 63,32
(d) G.T. Asean H.K. Gwth.Fd.	$ 20,14
(d) G.T. Asia Fund	$ 24,42
(d) G.T. Australia Fund	$ 24,42
(d) G.T. Berry Japan Fund	$ 20,11
(d) G.T. Biotechn./Health Fund	$ 9,92
(d) G.T. Bond Fund	$ 10,29
(d) G.T. Deutschland fund	$ 18,60
(d) G.T. Dollar Fund	$ 16,97
(d) G.T. Europe Fund	$ 23,36
(d) G.T. Global Telec.Cos. Fund	$ 10,26
(d) G.T. Global Telecom Fd	$ 16,11
(d) G.T. Honshu Performance	$ 25,31
(d) G.T. Investment Fund	$ 16,97
(d) G.T. Japan Smll Co.Fd	$ 70,92
(d) G.T. Money Inv. Fund. Pfd.	$ 10,00
(d) G.T. South China Fund	$ 12,47
(d) G.T. Technology Fund	$ 25,31
HILL SAMUEL INVEST. MGMT. INTL. S.A.	
Jersey, P.O. Box 63, Tel 603 7409	
Berne, P.O. Box 3052, Tel 031 22463	
(d) INTERNATIONAL (Par Bear)	SF 13,32
(d) CSF (Schweiz)	SF 29,80
(d) European Equity Fund	Dm 15,76
(d) Intnl. Bond Fund	$ 12,12
(d) Intl. Currency U.S.	$ 1,886
(d) TP Fd (Technology)	$ 12,15
(d) O'Seas Fd (N. AMERICA)	$ 32,24

JARDINE FLEMING, POB 78 GPO Hk Kg.	
(d) J.F. Currency Bond	$ 10,00
(d) J.F. Hongkong Trust	$ 61,24
(d) J.F. Pacific Growth Trust	$ 49,34
(d) J.F. Japan Trust	Y 740
(d) J.F. Pacific Trust	$ 16,24
(d) J.F. Pacific Inc.S.(Acc)	$ 16,24
LLOYDS BANK PC, Pipers Mk Gwent	
(w) Lloyds Intl Dollar	$ 114,70
(w) Lloyds Intl Sterling	£ 125,00
(w) Lloyds Intl Growth	SF 300,30
(w) Lloyds Intl Income	SF 136,20
(w) Lloyds Intl N. American	$ 126,20
(w) Lloyds Intl Yen	Y 1,000,00
(w) Lloyds Intl. Smaller Cos.	$ 15,20
MIDLAND BANK	
(w) Class A - Japan	$ 184,30
(w) Class B - Japan	$ 133,19
MULFLEX GROUP LTD	
(w) Multicurrency	$ 14,38
(w) Dollar Medium Term	$ 11,63
(w) Dollar Long Term	$ 14,66
(w) Sterling Income	£ 10,00
(w) Pound Sterling	£ 11,34
(w) Dollar Income	$ 10,00
(w) Dutch Florin	Fl 11,34
(w) Swiss Franc	SF 11,34
(w) Swiss Multicurrency	SF 10,66
(w) Ecu Bond	ECU 11,34
(w) Belgian Franc	BF 166,00
(w) Yen Income	Y 10,000,00
NIKKO MANAGED GROUP	
PB 860N, The House (GTG) 44fa70	
(w) Nikko Managed Futures	$ 30,08
PARIBAS GROUP	
(d) Paribas International	$ 104,68
(d) ECUPAR	ECU 1138,74
(d) N. American Growth Fund	$ 1,000,00
(d) OBLI-DOL	Dm 1368,00
(d) OBLI-ACTION	$ 1,000,00
(d) OBLI-DOLLAR	$ 1366,10
(d) OBLI-FRANCS	FF 1,000,00
(d) OBLI-FRANCE	FF 1,000,00
(d) OBLI-ECU	ECU 1,000,00
(d) PAREUROPE GROWTH	$ 17,46
(d) PARINTER BOND	$ 173,45
(d) PARINTER BOND FUND	$ 12,32
(d) PARIGAMA	SF 1,000,00
(w) PARIAPON	Y 1,000,00
(w) Paribas Fds. Bond 'Cl. B'	FF 1,000,00
PUTNAM	
(d) Emerging Hlth Sc. Tnst	$ 11,42
(d) Putnam Eur. Growth	$ 17,00
(d) Putnam Intl. Fund	$ 16,05
RENTA FUND, POB 3462, EUROPE	
(w) RSC Canadian Fund Ltd.	$ 13,30
(w) RSC Int'l Bond Fund Pd.	$ 9,70
(w) RSC Int'l Capital Pd.	$ 9,80
(w) RSC Int'l Income Pd.	$ 10,00
(d) RSC Mkt.Currency Pd.	$ 12,41
(w) RSC Pacific Fund	$ 7,00
(w) RSHB INTL FUND NEW CANAN	
(w) Intl Bond Fd. Ser. 1	$ 10,00
(w) Intl Bond Fd. Ser. 2	$ 10,00
(w) Intl Bond Fd. Ser. 3	$ 10,00
(w) Intl Bond Fd. Ser. 4	$ 10,00
(w) For East Fd. Ser. 1	$ 11,17
(w) For East Fd. Ser. 2	$ 11,17
(w) SVENSKA HANDELSBANKEN PLC	
11 Devonshire Sq.London 01-377-6040	
(d) SHB Intl Bond Fund	$ 31,38
(d) SHB Intl Growth Fund	$ 41,63
(d) SWISS BANK CORP. (ISSUE PRICES)	
(d) Dollar Bond Selection	$ 100,25
(d) Intern'l Bond Selection	Dm 100,00
(d) ECU Bond Selection	ECU 100,25
(d) Yen Bond Selection	Y 100,00
(d) Intervalor	SF 94,50
(d) Japan Portfolio	$ 1,469,07
(d) Sterling Bond Selection	£ 110,75
(d) Swiss Foreign Bond Selection	SF 101,25
(d) Swissvalor New Series	SF 97,75
(d) Universal Bond Selection	$ 101,00
(d) Universal Fund	SF 1241,40
(d) Universal Bond Selection	$ 100,00
TEMPLETON MANAGEMENT LTD	
(d) The Establishment Trust	$ 14,11
(d) Templeton Growth Fund Ltd.	$ 16,00
(d) Templeton HK & China	$ 14,11
(d) Templeton Japan Fund Ltd.	$ 14,11
(d) Templeton Orient Inc. Pd Ltd	$ 17,79
(d) Templeton Pacific Fund Ltd.	$ 14,11
(d) Templeton Tiger Fund Ltd.	$ 14,69
(d) Templeton Vietnam Inc. Pd Ltd	$ 9,94
UNION BANK OF SWITZERLAND	
(d) Actibondes Investfonds Fund	$ 33,80
(w) Actirendex	$ 13,32
(w) Activest Intl	$ 14,37
(w) Asalia International Fund	SF 13,32
(w) Arab Finance I.F.	$ 1044,68
(w) Arbitrex	Dm 1,000,00
(d) Asia Pac. Growth Pd N.V.	$ 18,24
(d) Asian Portfolio	$ 10,00
(d) Australia Fund	$ 10,24
(b) Bilan Saudi Bond Fund	$ 102,32

(w) Bondselect-Issue Pr.	SF 132,00
(w) Canadian Gtwr Opportun.	$ 8,00
(w) Canadian Gtwr Opps Pd.	$ 8,00
(w) Cashfund	$ 1,00
(w) Cirrhust US $ Emitting	$ 188,14
(w) Cirrhust Offshore Pd.	$ 100,00
(w) Columbia Securities	Pf 10,06
(w) Convert. Fd. Int'l & Certs	$ 10,47
(w) Convert. Fd. Int'l & Certs	$ 10,47
(w) Cumber Intl N.V.	$ 186,18
(w) Dollar Inc. Int. Bond	$ 10,00
(w) Dollar Japan Fund	$ 13,48
(w) Dollar	$ 10,00
(w) Dollar-Spec bond Pd	$ 1174,00
(w) Dollar Spec Pd Cl. B	$ 1000,00
(w) Dreyfus Gov Cash Mn N.V.	$ 10,00
(w) Dr. Walter Wrg Wrldwd Fd Ty	$ 10,00
(w) Dreyfus Intl Bond Fd N.V.	$ 10,00
(w) Dreyfus American Fd	$ 12,69
(w) Dreyfus Intern Fd	$ 10,00
(w) Dreyfus Intern Centennial	$ 22,91
(w) Equity Spec Sec. Pd	FF 27,000,00
(w) Eurasec Obligations	ECU 10,00
(w) Equity Spec Sec.	$ 1000,00
(d) First Convertible Sec. Fd.	$ 10,23
(w) Fonsecur Ltd	$ 25,000,00
(w) Fifty Stars Ltd.	$ 1100,00
(w) FCI Fund N.V.	$ 10,00
(w) Fonsteles Issue Pr.	SF 300,00
(w) Fonsteles Issue Pr. Pd	SF 300,00
(w) Fund Trust Interiam	Dm 12,94
(w) Fund-Trust Interiam Pd	Dm 12,94
(w) George V Inv. BOND F.	$ 13,30
(w) George V Inv. BOND K.	$ 13,30
(w) Hausmann Hldgs. N.V.	$ 193,00
(w) Hedge Fund	$ 10,00
(w) Hedric Fund	$ 120,47
(w) Hedging Fund	$ 10,00
(d) IAM FLAGSHIP FUND	ECU 100,00
(w) ISEC Nothing LTD	$ 1000,00
(w) Japan Pacific Fund	$ 300,00
(w) LLC-I	(15/11) 9,44
(w) LLC-II	(15/11) 9,44
(w) Incamerica N.V.	$ 13,13
(w) Intercash Fund	ECU 1,000,00
(w) Interfund SA	$ 10,00
(w) Intl Bond Fund	$ 10,00
(w) Int'l Securities Fund	$ 23,92
(w) Intl Yen Fund	Dm 10,00
(w) Invest Alternatives	$ 10,00
(w) Jardine Fund	FF 1,000,00
(w) Jetfortune Int'l Fund SA	$ 41,09
(w) Jetfortune Int'l Fund	$ 41,09
(w) Jetfortune Int'l Fund	$ 41,09
(w) Jetset Fund N.V.	$ 10,00
(w) Kleinwort Benson Jap. Fd	$ 17,08
(w) Kleinwort Benson Int. Fd	$ 17,08
(w) Korea Growth Trust	$ 12,41
(w) Lacuna Fund	$ 10,00
(w)

BUSINESS PROFILE / Joseph E. Antonini, President of K mart Corp.

Stock Boy Almost Makes It to the Top, but Crucial Challenges Lie Ahead

By Isadore Barmash
New York Times Service

NEW YORK — Joseph E. Antonini could have stepped out of one of those classic American rags-to-riches tales, where the hero starts out as a humble stock boy, works a little harder than everyone else, climbs over all the obstacles and, lo and behold, ends up at the top of the heap.

For Mr. Antonini, 45, the happy ending seems to be in sight: Four months ago, he was named corporate president and chief operating officer of K mart Corp; he is expected to be named chief executive at the retail company's annual meeting in March, and there is little doubt that he will become chairman in September, when Bernard M. Fauber retires.

But in real life, nothing is quite that simple. The irrepressible Mr. Antonini has plenty of challenges ahead. K mart, the leading U.S. discounter and No. 2 retailer, is in a crucial period of transition.

K mart is caught in a continuing race both to catch up with Sears Roebuck & Co., the No. 1 retailer, and to stay ahead of the fast-growing Wal-Mart Stores, the second-largest discounter. In the past two years, K mart has had to run faster and faster just to keep its place.

Mr. Antonini, a small gregarious man who seems as dauntless and happy as a terrier, thinks he can win the race just by sharpening K mart's focus. With more market research, faster sales-inventory data, better technology, and centralized bookkeeping, he says, K mart will be able to stay in closer touch with changing consumer needs.

His most dramatic decision so far was last month's closing of Designer Depot, a 75-store chain that consistently posted losses selling higher-priced goods at a discount.

Mr. Antonini has a special knowledge of apparel. As head of K mart's apparel division for the past three years, he provided one of the bright spots in the company's profit picture. With his guidance, and his successful emphasis on new lines of private-label clothing, the apparel division has contributed an increasing share of the company's overall sales and profits.

Not all aspects of K mart's business have been so successful. After riding high in the 1970s, doubling its annual sales and stunning its competitors by opening as many as 250 stores a year, K mart began to lose ground in the 1980s. While other retailers were constantly upgrading, K mart did not make sufficient efforts to improve its merchandise or its accounting and inventory systems, or to modernize the look of its stores.

"The company's big problems have arisen from its lack of proper systems and a lack of competitive information, both of which have prevented it from being as sharply competitive as it should be," said Stuart Robbins of Donaldson Lufkin Jenrette. He said that the company's profit margin had suffered as a result.

"It has to learn to maintain its margins while being highly promotional," he said. "And it needs to improve its presentation in its stores."

In 1985, K mart's profits dropped 5.6 percent to $471 million from $499 million the year before, even though sales increased 6 percent to $22.6 billion, from $21.3 billion. The company's return on sales slipped to 2.1 percent in 1985, from 2.3 percent the previous year and 2.6 percent in 1983.

Profits jumped 51 percent in the first half of this fiscal year, because of sharply lower interest charges, improved expense controls and better inventory management. But there is general consensus, inside and outside the company, that K mart has more work to do in repositioning itself for the years to come.

"I want to make a strong reevaluation of all our markets to be sure that we are getting the business we should," Mr. Antonini said. And, he said, the company also needs to "look hard at our selling and administrative expenses."

In an era when job-hopping is increasingly the norm, Mr. Antonini, a native of Morgantown, West Virginia, has been the quintessential organization man, one who has spent his entire career at K mart, or S.S. Kresge Co., as it was known when he first joined the company. Spurning offers from traditional department stores, and intrigued by Kresge's new discount division, Mr. Antonini joined the company right after his 1964 graduation from West Virginia University, where he had paid his tuition by forming his own dance band, "The Bonneville." But for a seven-month stint in the army, he has been there ever since.

After starting as a stock boy in Uniontown, Pennsylvania, Mr. Antonini was transferred to the main offices in Detroit as an assistant manager in the sales department.

In 1970, he was moved to Buffalo, New York as manager to an old-fashioned Kresge store that still had wooden floors that needed frequent oiling. "The store was so old that it had no delivery chute, so that we had to bring merchandise up in a basket and we had to sweep the floor with sawdust," Mr. Antonini recalls.

Then, during the fuel crunch of 1973, it was on to Baltimore, as a district manager supervising 15 stores. "I would get up at 5 A.M. to get into the waiting line at the gas pumps," he says.

In 1976, Mr. Antonini finally had a new K mart discount store to run. From the start, he had been fascinated with the idea of discounting, and with the plans of Harry Cunningham, the former chairman of Kresge, to build up a nationwide chain of discount stores. Such stores had great mass market potential, he felt, so the chance to run a discount store of his own, at a time when K mart was expanding faster than any retailing company ever had, was a dream come true.

"We could train everyone from the outset and as a new store it could be molded to exactly what we wanted," he said. "We made a fetish of not only promoting our prices vigorously but also making sure that the items we promoted and all the wanted ones were always in stock."

That was done by subdividing the ordering books so that goods could be ordered directly by departments, cutting the order process from two to four weeks to only one week.

His efforts paid off. The store became profitable in one year instead of the normal three. Mr. Antonini's efforts did not go unnoticed. He was rewarded with four higher posts in the next seven years, ending as director of sales promotions in K mart's Eastern regional offices. And in 1983 it became clear that the company's top management thought Mr. Antonini was something special, a sentiment they expressed by jumping him half-a-dozen levels in the corporate hierarchy, making him executive vice president for administration of K mart Apparel Corp., the company's largest division.

By then, K mart had reached almost $17 billion in sales, far more than any other U.S. discount chain. But opening hundreds of stores a year takes its toll, and with more than 2,000 stores in 1983 the company's profits began to sag under the twin pressures of digesting the rapid expansion and absorbing the sales promotions that cut down profits on advertised items.

Apparel presented a prime opportunity, since clothing normally carries a higher markup than durables. Mr. Antonini moved quickly to improve quality in both national and K mart brands, advertising K mart clothes, for the first time, in women's fashion magazines.

He also sent merchandising coordinators into the field to study regional taste differences. From their studies the company found out that in the Florida stores, for example, shoppers wanted to see spring and summer clothing in October, and not wait until the traditional January arrival of warm-weather styles.

But the most important change was far more conceptual and philosophical. As Mr. Antonini and his staff studied the big shopping centers near K mart stores, they found that many of the smaller stores, the ones between the big anchor department stores, were changing hands.

"They were losing the fads that they had gone into business with because tastes were changing," Mr. Antonini said. "We realized that despite the big boom in specialty stores, their problem was that they were basically 'item' sellers, as opposed to selling a broad range of goods that could withstand changes in taste."

Further studies by K mart Apparel convinced Mr. Antonini that his focus should shift from what he calls "items at a price" to a coordinated, comprehensive private label program, that could be counted on to fill all the shopper's clothing needs from a full line of low-priced but stylish merchandise.

One advantage to the company was that private label goods made to a retailer's specifications provide more markup advantages than national brands distributed to many retailers. And the private-label strategy apparently pleased K mart shoppers. In 1986, private label apparel accounted for 50 percent of K mart's clothing sales, as compared with 10 percent in 1983.

Additional moves included the addition of petite sizes for women and extra-sizes for men and women and the establishment of a full line of clothes in August 1985 under the label of Jaclyn Smith, a television actress. As a result, the company's apparel business gained much ground. In three years, its share of total K mart sales rose to 24 percent from 20 percent, and, according to Mr. Antonini "made a huge contribution to profits."

Mr. Antonini, who now lives in Bloomfield Hills, Michigan, with his wife and two children, became president of the apparel division in 1984, senior vice president of K mart in 1985, and executive vice president in January. Throughout his career, Mr. Antonini has shown a strong interest in using market research to hone the merchandising process in each market. For example, in New England he found a demand for snowmobiles, which the stores did not carry. So he quickly added them to the inventory.

Andrew Sacks/The New York Times

Joseph E. Antonini, with one of his private-apparel lines.

SCENE: *Gloom and Doom in '86*

(Continued from first finance page)

surely coming when many of these highly leveraged junk-bond issuers will be unable to generate the cash flows needed to service their enormous debts and will go into bankruptcy or even liquidation."

The end of interest payments by those who enter bankruptcy will threaten the solvency of many fiduciaries holding junk bonds and could cause panic in the bond markets.

Perhaps most threatening in the long run, Mr. Cutler concludes, all this equity disinvestment is directed toward the purchase and resale of existing financial and physical assets, rather than the creation of any new capital plant or technological research. Hence, the concern is that America is de-industrializing and selling off its valuable assets to foreign holders.

Another major worry is over the chronic deficit in the federal budget.

Professor Benjamin M. Friedman of Harvard University believes that the chief threat to financial stability implied by the sharp post-1980 rise in the government debt ratio comes from the need to raise taxes — and hence to reduce the incomes that individuals and businesses have available to meet their own debt service obligations — to service government debt. The immediate worry is not over a government debt default. Nevertheless, he says there is no way of continuing the pileup of federal debt at the rate it has been going.

The biggest worry at this point may well be the public's loss of confidence in the Reagan administration's ability to cope with the most critical national problems, whether they lie in the areas of foreign policy or economics.

But it would be irresponsible to regard all these worries as unsolvable. Is there a way out of the morass? We shall consider possible solutions in another column.

INTERNATIONAL HERALD TRIBUNE CENTENNIAL 1887 1987 100

Friday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	4 P.M.	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

IAE Chosen to Supply New Type of Engine For Long-Range Airbus

The Associated Press

PARIS — International Aero Engines will supply a new type of engine for Airbus Industrie's planned A-340 long-range aircraft, Airbus said Friday.

IAE is a consortium of engine manufacturers composed of Rolls-Royce Ltd. of Britain, United Technology Corp.'s Pratt & Whitney Division, Japan Aero Engines Corp., Fiat Aviazione SpA of Italy and West Germany's MTU Motoren und Turbinen Union München GmbH.

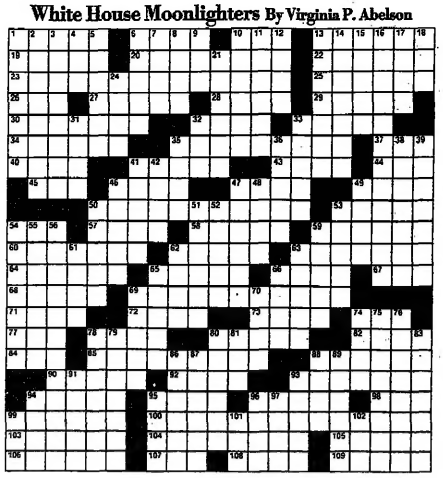
The new IAE engine, known as the V-2500 Superfan, is a propeller-jet hybrid that is 12 percent more fuel-efficient than engines on the market today, Airbus said.

Airbus, a European commercial aircraft consortium, recently signed a letter of understanding for the supply of up to 280 engines from CFM International SA, a joint venture by General Electric Co. of the United States and the French company SNECMA.

Lufthansa German Airlines of Germany has agreed to collaborate with SNECMA and two other European companies on the CFM 56-5 engine, SNECMA said Friday.

The decision to offer two engines with the A-340, scheduled to go into airline service in 1992, should provide a sales boost for the aircraft, said Jean Pierson, head of Airbus Industrie.

White House Moonlighters By Virginia P. Abelson



ACROSS

1 Blanched
6 While preceder
10 Bikini top
13 Instruments played like rattles
19 Adams or Gobel
20 Sanctions
22 Surround
23 President as painter
25 Crust for Colette
26 Expert
27 "—— Kick Out of You"
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29 The Velvet Fog
30 Oversees
32 Symbol of Ra
33 Tropical climber
34 Leblanc's Lupin
35 President as another painter
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40 Gang or mob follower
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43 Part of r.b.i.
44 NCO
45 Tokyo's one-time name
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67 They loop the Loop
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71 Former money of Brazil
72 A Long
73 One, in Oberhausen
74 Exclamations of disbelief
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78 He wrote "My People"
80 Cambridge and Scarsdale
82 Plant parasite
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85 President as baseball commissioner
88 "—— Kisses," Truffaut film
90 Sprat's choice
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96 Wickerwork willow
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99 Option
100 President as football player
103 Tray
104 Emulate Mark Hopkins
105 Deserves
106 These might be holy
107 Yes
108 Bshs., e.g.
109 "—— Foolish Things . . .": 1935 song

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1 Nightwear for felines?
2 Menu words
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4 Opponent of Luther
5 Pattern
6 Piscivorous raptors
7 Engrossed
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10 Hypothetical protein molecule
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12 Queries
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24 Double curve
31 Prefix for space
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38 Garb
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89 Clay pigeon, e.g.
91 Novelist Schreiner
93 Gold trim
94 Loire tributary
95 Cavatina's kin
96 Female gamete
97 Denomination
99 Army V.I.P.
101 It's urged by NOW
102 Cheer

DOWN

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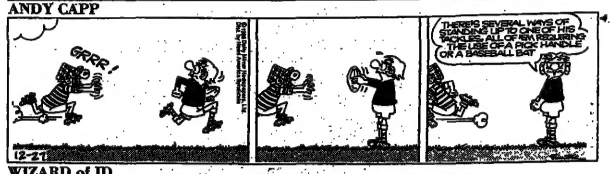
PEANUTS

BLONDIE

BEETLE BAILEY

ANDY CAPP



WIZARD of ID

REX MORGAN

GARFIELD

BOOKS

RECITATIVE: Prose by James Merrill
Edited and with an introduction by J.D McClatchy. 202 pages. $25; paperback, $12.50. North Point Press, 850 Talbot Avenue, Berkeley, Calif. 94706.

Reviewed by Anthony Thwaite

IN his collection of miscellaneous prose, "Required Writing," Philip Larkin was content to include two interviews with himself. In "Recitative," similarly miscellaneous, the editor, J.D. McClatchy, has included seven with James Merrill, including one conducted by J.D. McClatchy. The degree of self-consciousness may seem rather excessive. Has Merrill that much to tell us autobiographically? As it turns out, he has: He is not only fluent, suave, sharp, witty, playful, but apparently genuinely self-searching and occasionally profound.

The interviews are the heart of the book, a set of themes and variations on himself, prompted by questions that bring the same notes ringing back. There is some repetitiveness here, even monotony, but also consistency. Merrill has never presented himself, or been presented, as a "confessional" writer. His poems are oblique without being angular, polished without being empty: They have often been called "elegant," sometimes "dandified."

Educated with as much expensive rigor as affluent America could afford, the young Merrill acquired several languages, a knowledge of the outside world, a degree of connoisseurship and a formidably precocious talent. "Jim's Book," a gathering of juvenilia, was privately published by Merrill's father when James was 16. He followed his time at Amherst with much travel, spending prolonged periods in continental Europe. Both his poetry and his fiction are nourished by his cosmopolitan life and by his wide reading in French, Italian, German and modern Greek.

As a poet, Merrill can be seen as someone who relates not at all to the line of William Carlos Williams; very little (in spite of his Eurocentrism) to Eliot or Pound; most of all to Wallace Stevens. In the second section of "Recitative," given to pieces on other writers, Merrill acknowledges the way in which Stevens's example allowed "the young practitioner" to "seek out his own faith, in his own time, and arrive (with any luck) at his own humanity," rather than be dictated to — as, Merrill suggests, Eliot, Pound and Frost dictate.

In his essay on Cavafy, "Unreal Citizen," Merrill notes, as Auden did, that "Cavafy is that rare poet whose essential quality comes through even in translation." It is a common response, but Merrill's evident command of modern Greek, together with his sensitiveness as a poet, gave me a clearer insight than ever before into exactly what Cavafy's diction and rhythm (and, in the earlier poems, rhymes) were actually like in Greek. This essay, a review of Robert Liddell's biography and of the Edmund Keeley-/Philip Sherrard translations, ends with a wonderful story about Merrill in Greece giving a lift in his car to a young Belgian who thought he was going to visit Cavafy — an elegantly unlikely hoax on someone's part, since Cavafy had died in 1933.

When he comes to dispraise (as in reviewing books by Robert Hillyer and Robert Penn Warren), the technical observations are less convincing: He dismisses or denigrates lines that, even out of context, seem no worse than lines he praises, elsewhere, by Robert Bagg or, in the same review, by William Jay Smith. Again, some inclusions seem marginal, such as a foreword to a libretto by Bernard de Zoghebe that very few will have by them, and that is scarcely quoted by Merrill, though what he does quote sounds like a good joke. And the foreword to Robert Morse's "Nineteen Poems" (privately printed by Merrill after the death of Morse, a neighbor) reads like an affectionate aside for fellow-neighbors in Stonington, Connecticut. As for the notes from Japan and Bangkok, made on a trip in 1956-57 and extracted from carbons of letters home, they hardly seem worth the carriage: "Over and over the point is reached when Art and Nature cannot be told apart" is one of those observations on Japan that one has read too many times.

There remain, at the end of the book, three pieces of fiction. One hesitates to call all of them "stories." "Rose," written when he was 20, is a creeply whimsical anecdote, or mood-piece. "Driver" is mysteriously teasing, seeming to be some sort of allegory. "Peru: The Landscape Game" sounds like brilliant, puzzling, posturing fragments from a travel diary.

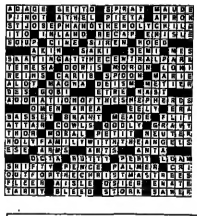
"Recitative" is best read, in its interviews and some of the critical pieces, as a useful adjunct to Merrill's poetry, illuminating much. Merrill is not an easy poet, or a poet it is easy to warm to. But "Recitative" probably comes as close as is possible to being a handbook to Merrill — a handbook rather than a primer.

Anthony Thwaite's new book of poems, "Letters from Tokyo," will be published this spring. He wrote this review for The Washington Post.

DENNIS THE MENACE

"OF COURSE HE'S ALL ONE DOG, JOEY! YOU DON'T SEE TWO HEADS, DO YOU?"

Solution to Last Week's Puzzle



WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	15	59	6	43	fr
Amsterdam	6	43	3	36	r
Athens	8	43	1	34	s
Barcelona	12	53	5	41	cl
Belgrade	-4	25	-7	19	s
Berlin	4	39	-2	28	sw
Brussels	4	39	2	36	s
Bucharest	—	—	—	—	sn
Budapest	-0	23	-11	12	fr
Copenhagen	3	37	-2	28	r
Costa Del Sol	18	64	10	50	fr
Dublin	6	43	1	34	sh
Edinburgh	6	43	2	36	sf
Florence	8	46	-2	28	fr
Frankfurt	1	34	-3	26	s
Geneva	0	32	-3	26	s
Helsinki	-9	16	-15	5	sw
Las Palmas	19	66	12	54	cl
Lisbon	14	57	8	46	cl
London	6	43	1	34	fr
Madrid	7	45	-3	27	fr
Milan	5	41	-2	28	fr
Moscow	-8	18	-8	18	sw
Munich	1	34	-7	19	sw
Nice	9	48	3	36	cl
Oslo	-2	28	-7	19	sw
Paris	5	46	5	41	r
Prague	-4	25	-9	16	sw
Reykjavik	-1	28	-4	25	sw
Rome	7	45	0	32	fr
Stockholm	-1	30	-6	21	sw
Strasbourg	2	36	-3	26	s
Venice	3	37	-6	21	fr
Vienna	-0	31	-10	14	s
Warsaw	-7	19	-9	15	s
Zurich	1	34	-5	23	sw

MIDDLE EAST					
Ankara	5	41	1	34	s
Beirut	—	—	—	—	na
Cairo	24	75	14	57	fr
Damascus	—	—	—	—	na
Istanbul	0	32	-2	28	sw
Jerusalem	14	57	4	43	cl
Tel Aviv	17	63	8	46	cl

OCEANIA					
Auckland	—	—	—	—	na
Sydney	31	88	17	62	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	25	77	s
Beijing	4	39	-7	19	s
Hong Kong	18	64	14	61	r
Manila	31	88	23	73	cl
New Delhi	19	66	5	41	fr
Seoul	2	36	-7	19	cl
Shanghai	11	52	3	37	s
Singapore	32	90	23	73	cl
Taipei	21	70	16	61	r
Tokyo	13	55	5	42	cl

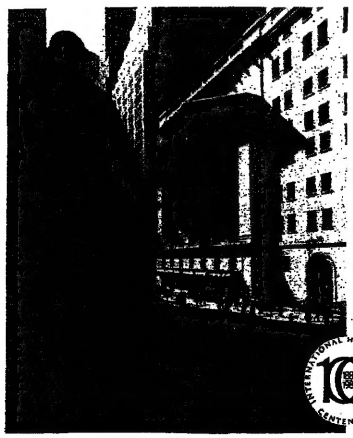
AFRICA					
Algiers	15	59	3	37	s
Cape Town	—	—	—	—	na
Casablanca	13	55	7	45	fr
Harare	32	90	18	64	fr
Lagos	32	90	26	79	cl
Nairobi	—	—	—	—	na
Tunis	8	46	4	39	sn

LATIN AMERICA					
Buenos Aires	—	—	—	—	na
Caracas	—	—	—	—	na
Lima	21	70	17	63	s
Mexico City	24	75	3	37	s
Rio de Janeiro	—	—	20	68	r

NORTH AMERICA					
Anchorage	-5	23	-12	10	
Atlanta	12	54	4	39	sc
Boston	7	45	3	39	sn
Chicago	3	37	-3	27	cl
Denver	5	41	-8	18	cl
Detroit	2	36	1	34	cl
Honolulu	26	79	20	68	fr
Houston	11	52	7	45	sh
Los Angeles	22	72	7	45	s
Miami	22	72	17	63	r
Minneapolis	5	41	-8	18	sc
Montreal	2	36	-4	25	r
Nassau	29	84	—	—	s
New York	8	46	5	41	fr
San Francisco	12	53	8	46	cl
Seattle	10	50	3	41	r
Toronto	4	39	1	34	r
Washington	10	50	2	36	fr

cl=cloudy; fo=foggy; fr=fair; h=hail; o=overcast; pc=partly cloudy; r=rain; sh=showers; sn=snow; s=sunny.

SATURDAY'S FORECAST — CHANNEL: Cloudy. FRANKFURT: Cloudy with showers. Temp. 3 — 1 (37 — 30). LONDON: Showers. Temp. 7 — 2 (45 — 36). MADRID: Fair. Temps. 8 — 2 (46 — 36). NEW YORK: Fair. Temps. 8 — 2 (46 — 36). PARIS: Cloudy with showers. Temp. 6 — 4 (43 — 39). ROME: Fair. Temp. 7 — 2 (45 — 36). TEL AVIV: Not Available. ZURICH: Overcast with showers. Temps. 2 — 0 (36 — 32). BANGKOK: Foggy. Temps. 33 — 23 (91 — 73). HONG KONG: Fair. Temps 19 — 16 (66 — 61). MANILA: Showers. Temps. 32 — 23 (90 — 73). SEOUL: Snow. Temps. 3 — -10 (37 — 14). SINGAPORE: Stormy. Temps. 32 — 25 (86 — 77). TOKYO: Cloudy. Temps. 13 — 6 (54 — 43).



Herald Tribune INTERNATIONAL
BUSINESS/FINANCE
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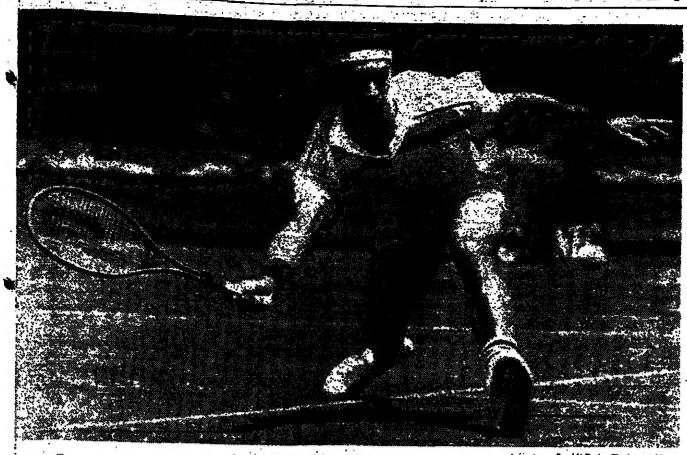
Wednesday: International Manager.
Thursday: Wall Street Watch.
Friday: Technology.
Saturday: Economic Scene/Business Profile.
Wednesday/Thursday/Friday: Business People.
Tuesday through Saturday: Currency Markets/Euromarkets.
Personal Investing on the second Monday of every month.
And the latest financial figures every day.

SPORTS



Pat Cash reached for a 13-11, 13-11, 6-4 upset of Sweden's Stefan Edberg, giving Australia a 1-0 lead in the Davis Cup final.

Raul McPherson/The Associated Press

Pernfors Saves a Day for Sweden

Compiled by Our Staff From Dispatches

MELBOURNE — Mikael Pernfors, playing a tournament match on grass for only the fifth time, gave defending champion Sweden a 1-1 tie Friday in the Davis Cup final with a 6-3, 6-1, 6-3 defeat of Australian Paul McNamee.

Pat Cash had given Australia a 1-0 lead with a 13-11, 13-11, 6-4 upset of Sweden's No. 1 player, Stefan Edberg. But Pernfors, a two-time NCAA champion at the University of Georgia, dominated the veteran McNamee.

Cash was to team with John Fitzgerald against Edberg and Anders Jarryd in the doubles Saturday, with the reverse singles scheduled for Sunday in the best-of-five final.

"I knew if I lost we'd be in big trouble," said Pernfors, 23, whose victory vindicated a decision by the Swedish team captain, Hans Olsson, to use Pernfors as a singles player ahead of the more experienced Jarryd and Joakim Nystrom.

"Pernfors played fantastic tennis, but he'd shown me in practice that he was capable of it," said Olsson.

Pernfors' only previous experience on grass courts was at Wimbledon this year, where he won three matches before losing to eventual champion Boris Becker of West Germany in the quarterfinals.

"I was pleased with the way I'd been practicing and I usually perform better in match play," said Pernfors, ranked 11th in the world.

He took just 91 minutes to beat McNamee, 32, a two-time Wimbledon doubles champion.

"I was surprised it was over so quickly and so easily, but I passed real well and I returned well and those are the main points of my game," said Pernfors. "That was one of the best matches I've ever played."

McNamee, who offered no excuses after being out-hustled and out-finessed, said, "He outplayed me."

McNamee, ranked 45th in the world, but with an 11-4 Davis Cup singles record, made error after unforced error as Pernfors pressured him constantly.

Earlier, Cash had thrilled a sun-baked sellout crowd of about 11,000 by out-lasting Australian Open champion Edberg, a serve-and-volley specialist rated 20 places above Cash's world ranking of 24th.

They slugged it out from the baseline and, with rare exceptions, stayed away from the serve-and-volley techniques normally used on grass courts. The southeasterly winds that swirled around the horseshoe-shaped Kooyong Stadium made it difficult to control ground strokes and services, while the sun caused many serving errors. There were 11 service breaks in the 3-hour, 45-minute match.

The 21-year-old Australian said he had not been concerned, even when trailing in the first set, when, he said, he had problems with the sun shining in his eyes as he served.

"I didn't feel I was playing that badly," he said. "I wasn't that disappointed, and when I got back into the first set I knew I could win the whole match.

"I was returning a bit better than he was. It was just a point here and a point there — that's the way it is when you play a guy who is that good."

He added that "there is nothing like the pressure of a Davis Cup final, but I felt very relaxed. I'd prepared for this for a month. I think mentally this was the best match I have played."

After Cash came from 1-5 down to tie the first set at 5-all, forcing a tie breaker, each held service until the 23d game. Then Edberg dropped his service to trail for the first time, at 11-12. Cash won the set on an ace 1 hour, 28 minutes into the match.

Edberg fell into a string of serving errors, dropping his service in the 17th game of the second set to trail, 8-9. He broke Cash in the next game when Cash double-faulted on break point, but both players were obviously tense, aware that many observers believed the three-day final could hang on the opening match.

The Swede's service slump continued, and he was averaging a double fault for every six serves when he again lost service on the third break point to trail, 11-12. Cash won the set with another ace.

That appeared to drain Edberg, who lost his service in the third and fifth games of the third set to trail, 3-2. Cash broke a racket in the sixth game, but attacked with renewed confidence and won the final set in 29 minutes. *(AP, UPI)*

James McHuron/The Associated Press

Mikael Pernfors gave the defending champions a 1-1 tie with a 6-3, 6-1, 6-3 defeat of Australian Paul McNamee.

■ Mandlikova May Defect

Hana Mandlikova, the world's fourth-ranked women's tennis player, is seeking Australian citizenship, the Brisbane Courier-Mail newspaper reported Friday night, according to Reuters.

The 24-year-old Czechoslovak star, who married a Czechoslovak-born Australian this year, declined to comment directly on the report and said she would make a statement Saturday.

But her coach, Betty Stove, said, "It's no secret, we've got nothing to hide."

Martina Navratilova, the world's top woman player, defected from Czechoslovakia in 1975 and became a U.S. citizen in 1981. Ivan Lendl, the men's No. 1, who was born in Czechoslovakia, has taken the first steps to acquire U.S. citizenship.

Bosworth, 2 Other Sooners Barred From Orange Bowl for Steroid Use

New York Times Service

NEW YORK — Brian Bosworth, the all-America linebacker, and two of his University of Oklahoma teammates have been barred from playing in the Orange Bowl game on Jan. 1 because they tested positive for anabolic steroids.

The ruling, announced Thursday, was made by the National Collegiate Athletic Association. It had instituted tests for championship events and some football bowl games this year in an effort to prevent the use of more than 100 banned generic drugs.

Six players now have been barred from bowl games because of positive drug tests, but the ban on Bosworth, a proponent of the testing program, was the most dramatic so far.

He is a charismatic player, noted for his unusual hair style, his prodigious strength and his outspoken stand against drugs. He was fourth this season in voting for the Heisman Trophy as the best U.S. college football player and was expected to be a top selection in next spring's National Football League draft.

Also barred from the Orange Bowl game against Arkansas were sophomore guard Gary Bennett and freshman defensive tackle David Shoemaker. Neither is a starter.

Earlier this week, Arkansas linebacker David Dudley was declared ineligible because of steroid use, and Jeff Bregel, an all-America guard from the University of Southern California, was banned from the Florida Citrus Bowl after he tested positive for steroids. A reserve player from Arizona State, who was not named, was suspended last week.

[North Carolina announced Thursday that Derrick Fenner, the leading rusher in the Atlantic Coast Conference, had been dropped from the team for Saturday's Aloha Bowl game against Arizona for academic reasons, United Press International reported from Honolulu.]

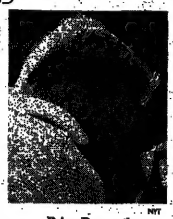
More than 700 players from 20 universities scheduled for postseason play have been tested through urinalysis the last few weeks, including teams in the five major games: the Orange, Fiesta, Cotton, Rose and Sugar bowls.

Steroid use is not a crime, and the National Football League has no rules against it. But the drug, while it can build muscle strength and is used in the treatment of varying medical problems, can have damaging side effects, including the development of liver tumors. Olympic athletes are not permitted to take steroids.

■ Coach Knew of Use

The Oklahoma coach, Barry Switzer, said Thursday he had known that Bosworth had taken steroids and had warned him about the new NCAA rule barring their use, The Associated Press reported.

"Of course I warned him," Switzer said at the airport in Miami after he arrived with his team for the New Year's Eve bowl game. "I talked to him in January about the new rule. I know they took steroids to be bigger and stronger."



NYT

Brian Bosworth

The three players banned did not accompany the team.

"They knew they would be tested at the bowl site," Switzer said. "They knew what the repercussions would be. They knew that they would be ineligible."

Bosworth's father, through a family spokesman, said in Irving, Texas, that his son told him he had not taken steroids since last March.

"What happened was that Brian was in the university hospital earlier this month with a stomach disorder. He was dehydrated and the medication he took must have brought out the fact he had taken steroids months ago," Foster Bosworth was quoted as saying. "Brian was told that steroids can show up a year after it is taken."

"It's a shame for a player of that caliber to miss out on the game," Switzer said. "But the rule is the rule, and Oklahoma intends to abide by it."

Switzer said his players told him it had been several months since they took steroids, adding, "I believe the athletes."

"I certainly rather it be steroids than cocaine or marijuana," he said.

■ Alabama Wins Sun Bowl

Sophomore tailback Bobby Humphrey scored on runs of 64 and 3 yards Thursday and caught one of Mike Shula's two third-period touchdown passes as Alabama beat Washington, 28-6, in the Sun Bowl in El Paso, Texas, The Associated Press reported.

It was Alabama's record 22d victory in a postseason bowl game.

Shula threw a 32-yard scoring pass to Greg Richardson midway through the third quarter and a 17-yarder to Humphrey with 13 seconds left in the period as the Crimson Tide pulled away from a 7-6 halftime lead.

Humphrey, who set seven Alabama records this season, one of 1,471 rushing yards, finished with 159 yards on 28 carries after being held to 18 yards on his first eight carries.

■ North Wins in Blue-Gray

Notre Dame quarterback Steve Beuerlein threw a 23-yard touchdown pass Thursday and directed three other scoring drives as the North beat the South, 31-7, in the 49th annual Blue-Gray all-star football game in Montgomery Alabama, The Associated Press reported.

Temple tailback Paul Palmer, the runner-up to Miami quarterback Vinny Testaverde in voting for the Heisman Trophy, ran for 166 yards on 22 carries, scored on a 2-yard run and was named the game's most valuable player.

John Reed/The Associated Press

Paul Palmer, the Blue-Gray game's most valuable player, dragged Florida's Adrian White along for a first down.

No Time Now For Football

United Press International

HAMILTON, Ohio — Gene Hulshult could have been preparing for the Cotton Bowl football game on New Year's. Instead, he was thankful to be alive.

Hulshult celebrated his 23d birthday on Christmas Day by relaxing, less than two weeks after undergoing open heart surgery at the Cleveland Clinic.

He had been an outstanding defensive tackle at Hamilton Badin High School and was recruited by Ohio State in 1982.

But during a routine physical in the spring of 1983, he was found to have an irregular heartbeat. An examination a few days later confirmed that his heart had a defective valve.

"I can't go running. I can't drive a car . . . but I feel fine," he told the Columbus Dispatch newspaper by telephone.

When his heart trouble was discovered the team doctor told him he could not play football again.

"It wasn't that much of a shock to me, really," he said. "When I looked at football, I saw it as a way of getting through school. They assured me I could keep my scholarship."

The Ohio State coach, Earle Bruce, saw that he did. Hulshult graduated with a degree in zoology and will return in the fall to begin dental school.

Bruce visited Hulshult at the Cleveland Clinic.

"We talked about more than football," Hulshult said. "They're playing Texas A&M, I know that. But to tell you the truth, I don't even know what city the Cotton Bowl is in.

"You can just say it [football] never was a top priority. Not like getting through school, getting through life."

Bill Cramer/The Associated Press

Moses Malone, eyeing a ball that had eluded Tim McCormie of the 76ers, got 28 points and 21 rebounds as Washington won, 102-97, Thursday. It was Malone's first game in Philadelphia since the 76ers traded him to the Bullets.

Ewing Gives Knicks Reason to Celebrate

The Associated Press

NEW YORK — Patrick Ewing said it might have been the most exciting game he has played in since he was in college.

It was no coincidence that it also might have been the best game he's played since he wore a Georgetown University uniform.

Along with his 28 points and a season-high 17 rebounds, Ewing's offensive rebound and game-winning 10-foot jump shot at the buzzer gave the New York Knicks an 86-85 victory over the Chicago Bulls in a National Basketball Association game on Christmas Day.

The Knicks trailed, 85-84, when Chicago's Dave Corzine completed a three-point play following a missed shot by teammate Michael Jordan with six seconds left. After a timeout, Trent Tucker missed a long jump shot, but the ball bounced high to Ewing. His shot hit the front of the rim, bounced to the back and fell through the basket as the buzzer sounded.

"I haven't had a player jump into my arms like Trent did since Georgetown," Ewing said of the celebration. "We need to play psyched and this should help us."

Ewing shared the holiday spotlight with Jordan, who scored 30 points, eighth time this league-leading average, and amazed the Madison Square Garden crowd with his spectacular moves. But Jordan was disappointed with the loss and his 10-for-28 shooting.

"It was a heartbreaker, but we didn't play well enough to win," he said. "My shooting was terrible, as the stats will show. It seems like everything was short."

Jordan's most crowd-pleasing play was a dunk over Ewing in the seesaw fourth quarter, when there were 10 ties and nine lead changes.

"He dunked on me, but we won the game," Ewing said. "I'd like my teammates to think they can count on me down the stretch. If they go to me, I'll help them."

"He carried us," Tucker said of Ewing. "He got us to the point where we had the opportunity to win, then he won it himself. When my shot came off, the big guy was right there. It was a beautiful thing to watch."

The Bulls were only 31-of-79 shooting as they posted their lowest point total of the season. Still, only Ewing's rebound and basket prevented them from winning.

"All we had to do was grab Tucker's missed shot and the game was ours," said the Bulls' coach, Doug Collins.

New York had led by 33-18 four minutes into the second quarter before Jordan got untracked, scoring 11 points in four minutes as Chicago closed the gap to 41-36. It was 45-37 at halftime, and coach Bob Hill was worried that his Knicks had been demoralized by Jordan.

"After a few of Jordan's dunks, the crowd went crazy and I'd see our guys with their heads down," Hill said. "I had to use two timeouts in situations like that. We have to understand that the crowd is going to react that way to him. We've got to get back down court so the fans can react to us also."

NBA FOCUS

4 Playoff Teams Look Back Toward Sunday Games

The Associated Press

WASHINGTON — Coach John Robinson said Thursday that his Los Angeles Rams will go "back to the basics" — meaning All-Pro running back Eric Dickerson — when they play the Washington Redskins on Sunday in the National Conference wild-card game of the National Football League playoffs.

Although new quarterback Jim Everett has given the Rams a passing attack, the team has lost two straight and four of its last seven. In last week's 24-14 loss to the San Francisco 49ers, for the NFC West Division title, Dickerson had only 10 carries after three quarters.

"We got off the track a little bit and it was my fault," Robinson said.

Dickerson, who rushed for 1,821 yards this season, said, "I don't think we're as physical as we used to be. We had been practicing the pass for about three weeks and I think we may have been getting too 'finessful.' "

The Redskins also have digressed after an 11-2 start. They narrowly avoided bringing a three-game losing streak into the playoffs by scoring 21 points in the fourth quarter of a 21-14 victory over the Philadelphia Eagles last week.

The Redskins' coach, Joe Gibbs is hoping that his young quarterback, Jay Schroeder, will regain the form that earned him a trip to the Pro Bowl in his first full season as an NFL starter. Schroeder had thrown 11 interceptions in his last 11 quarters before rebounding in the final period against the Eagles.

Those 11 interceptions matched Schroeder's total through the first 13 contests. He began to encounter difficulty when the New York Giants dropped into a three-deep zone and picked off six passes, and will face a similar alignment Sunday.

Kelvin Bryant and Gary Clark, two keys to the Redskins' passing game, were nursing injuries this week but were expected to play. Bryant bruised a kidney in Philadelphia and Clark sat out that game with a sprained ankle.

Clark, who was selected to the Pro Bowl, has gained 1,265 yards on a team-high 74 catches. Teammate Art Monk gained 1,068 yards on 73 catches and George Rogers rushed for 1,203 yards. Only one other team in NFL history, the 1979 Dallas Cowboys, ever had that combination of 1,000-yard performers.

NFL PREVIEW

Under Gibbs, the Redskins, who are favored by 4½ points, have beaten the Rams three straight times, by a combined score of 123-34, with a 51-7 rout in the 1983 playoffs.

But "these are whole new teams," Gibbs said. "If we go 3-13 next year, what will the past mean then?"

■ AFC Coaching Rivalry

On the field, the American Conference wild-card game Sunday between the New York Jets, who are favored by two points, and the Kansas City Chiefs will pose several intriguing matchups. United Press International reported.

Among the most interesting will be wide receivers Al Toon and Wesley Walker of the Jets against corner backs Albert Lewis and Kevin Ross of the Chiefs.

Off the field, one battle emerges above all others: Bud Carson, the Jets' defensive coordinator versus John Mackovic, the Chiefs' coach.

Carson was the Chief's defensive coordinator in 1983, Mackovic's first season as coach. There was no second year for the stormy marriage.

Between seasons, Carson and Mackovic disagreed on philosophy and personnel. Shortly after the start of training camp, they decided that the best thing was to split up.

Carson was a volunteer assistant for one season at Kansas University before joining the Jets in 1985. Mackovic went without a defensive coordinator for two seasons before naming Walt Corey to the position this year.

"Bud Carson, to me, is a great coach," said Deron Cherry, the Chiefs' Pro Bowl free safety. "He is very knowledgeable about the game. He had a big influence on me. The biggest influence was in developing my talent and ability. He's a very aggressive coach. When he sees talent and ability he gets the best out of it. He makes you use it. I think he is the greatest coach I've had the opportunity to play for."

Cherry said that in Carson's first year in Kansas City some people thought the outspoken coach was a "pyscho or a madman." Cherry added, however, that "to this day I think a lot of players still wished Bud was around."

Carson's reputation as a sharp-tongued coach has not diminished in New York. Neither has his reputation for building defenses, which he built while constructing Super Bowl units for the Pittsburgh Steelers and the Rams.

After great success last year with a 3-4, attack-oriented defense, Carson has had injuries decimate this team in the last five weeks. The Jets lost all five games, and the defense now is ranked last in the league.

Sunday, it will face an offense put together by Mackovic, an offense ranked last in the NFL.

"He hasn't said go out and win for me," said Jet defensive end Barry Bennett, but "we're aware what happened back then. We've let Bud down a bunch of times this year. Everyone on defense would like to play well for him.

"It's not the sole motivation, though. We'd like to give Bud a little Christmas present."

SCOREBOARD

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct.	GB
Boston	16	9	.640	—
Philadelphia	14	13	.519	3
Washington	13	13	.500	3½
New York	7	21	.250	10½
New Jersey	6	19	.240	10
Central Division				
Atlanta	19	5	.760	—
Milwaukee	17	8	.694	1
Detroit	14	9	.609	3
Chicago	13	12	.520	4½
Indiana	13	14	.481	7
Cleveland	11	14	.440	8

WESTERN CONFERENCE

Midwest Division	W	L	Pct.	GB
Dallas	17	9	.654	—
Utah	17	9	.654	—
Denver	15	15	.500	5½
Houston	16	16	.500	5½
Sacramento	9	18	.333	9
San Antonio	7	20	.259	10½
Pacific Division				
L.A. Lakers	20	6	.769	—
Golden State	16	11	.593	4½
Portland	17	12	.586	4½
Seattle	14	11	.560	5½
Phoenix	13	14	.481	7½
L.A. Clippers	4	21	.160	15½

THURSDAY'S RESULTS

Chicago	16 25 26 20—85
New York	26 19 14 25—86

Ewing 13-27 2-4 28, Henderson 7-14 4-4 19; Jordan 10-28 10-12 30, Corzine 3-12 4-5 14. Rebounds: Chicago 48 (Oakley 12); New York 56 (Ewing 17). Assists: Chicago 19 (Jordan 5); New York 16 (Henderson 8).

Washington	28 20 27 23—98
Philadelphia	29 21 22 25— 97

M. Malone 11-28 4-10 26, J. Malone 9-20 5-6 23; Robinson 12-24 4-5 28, Cheeks 5-12 1-2 11. Rebounds: Washington 64 (M. Malone 21); Philadelphia 67 (Barkley 18). Assists: Washington 21 (J. Malone 7); Philadelphia 27 (Cheeks 9).

U.S. College Results

TOURNAMENTS

Chaminade Classic
First Round
Chaminade 97, Hastings 79
W. Kentucky 89, Hawaii Pacific 74

Tournament of Christian Colleges Championship
Seattle 96, Hawaii Loa 74

Third Place
Whitman 96, Christ Coll. 77

Fifth Place
Reps 68, Fresno Pacific 47

Seventh Place
Pacific Christian 83, Dominican 73

Transition

BASEBALL
National League

CHICAGO—Named Gordon Goldsberry vice president of minor leagues scouting. Promoted Mark McGuire, vice president of marketing and control, to vice president of finance.

MONTREAL—Named Bill MacKenzie director of Canadian scouting.

COLLEGE

DARTMOUTH—Named Eugene (Buddy) Teevens football coach.

IDAHO STATE—Named Walt Criner assistant football coach.

LONG BEACH STATE—Named Larry Reisbig football coach.

NEW MEXICO—Named Mike Sheppard football coach.

European Soccer

ENGLISH FIRST DIVISION

Aston Villa 5, Charlton 0
Leicester 1, Arsenal 1
Liverpool 4, Manchester United 1
Luton 3, Watford 2
Manchester City 1, Sheffield Wednesday 0
Newcastle 0, Everton 4
Norwich 2, Nottingham Forest 1
Queen's Park Rangers 3, Coventry 1
Southampton 1, Chelsea 2
Tottenham 4, West Ham 0
Wimbledon 1, Oxford 1

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

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POSTCARD

South Texas Ballads

By Peter Applebome
New York Times Service

SAN ANTONIO, Texas — When Representative Henry B. Gonzalez struck a constituent at a restaurant earlier this month, because the constituent called him a Communist, he did more than create a furor in the city's newspapers.

He joined a storied group that includes heroes and scoundrels, from border bandits and drug runners to John F. Kennedy, immortalized in a centuries-old musical style that still flourishes in Hispanic southern Texas.

The form is the *corrido*, a narrative ballad with roots dating from 16th-century Spain. The *corrido* no longer serves the information function it did when it was as topical as the town crier. But it is almost impossible for a major event to touch the Hispanic community here without someone's penning a ballad.

A few years back, when a sniper opened fire on the annual Battle of Flowers parade, it inspired *corridos*. When a city council member was found in a compromising situation with a female aide, it inspired *corridos*. When President Kennedy was assassinated, it inspired so many *corridos* that a book was written about them.

"The *corridos* are as popular now as they were during the revolution of Pancho Villa," said Ricky Davila, a disc jockey at KEDA, a Spanish-language station here. "It's as commonplace as reading a newspaper."

The cultural cross-fertilization here is such that two English-language stations immediately offered competing ballads with such lyrics as

So don't mess with Henry
Don't call him no Commie
He'll send you home
Crying to Mommy.

With less fanfare, Spanish-language radio stations and record producers immediately received a number of *mariachi*-tinged Spanish ballads commemorating Gonzalez.

THE *corridos* played by *mariachi* or *conjunto* bands or on Hispanic radio stations fall in two main forms.

Classic *corridos*, many dating from the turn of the century, tell often bitter stories in which Hispanic heroes struggle for their rights in a hostile Anglo society. The most famous is the story of Gregorio Cortez, who became a folk hero after he was falsely accused of murder in 1901.

Other *corridos* are songs of recent years dealing with more contemporary subjects. One of the giants of *corrido* is Salome Gutierrez, who runs a combination bus station and record store and produces Spanish-language records.

One of his most popular *corridos* was a rare modern version serving its original reportorial function. When Fred Gomez Carrasco, a notorious drug dealer, escaped from a Texas prison one evening in August 1974, Gutierrez wrote a *corrido* the night of the event, recorded it after midnight, and it was played on KEDA by 6 o'clock the next morning. "I gave many people on the West Side the first information about Carrasco's escape," he said.

He has helped to popularize what is probably a distant but real *corrido*, what he calls "fictitious history." His most famous example is "El Gato Negro," (The Black Cat), which was made into a popular movie in Mexico. It tells of a bandit and drug dealer with enough force that the Cat has become a figure to the Hispanic in roughly the way Rambo has in the culture at large.

"This story about Henry B., no one will care about that in a month," Gutierrez said. "But with 'El Gato Negro' I wanted to see if I could write something that would keep my name alive forever."

Not all is well with the *corrido* business. Gutierrez said Mexican companies could make recordings so much less expensively than he could that it rarely made economic sense for him to record a new *corrido*. He declined to record a *corrido* someone brought him about Gonzalez because he doubted he could recover costs.

There is more competition from newspapers, television and radio as Hispanic entertainers enter the mainstream culture. And he fears Hispanic youths, who are more comfortable with rock music and English than with *mariachi* and Spanish, will fail to revitalize the tradition.

"My sons won't write *corridos* because they think in English," he said. "They can't write in Spanish."

Sigourney's Shakespeare Connection

By Leslie Bennetts
New York Times Service

NEW YORK — She blazed across the cosmos wielding a flamethrower against deadly extraterrestrials in "Aliens."

She ran roadblocks under fire and conducted a steamy Indonesian affair with Mel Gibson in "The Year of Living Dangerously."

And in "Ghostbusters," she was a cellist plagued by evil spirits who possessed her kitchen appliances — and then possessed her.

Sigourney Weaver, 37, has become a screen icon to millions. But despite her string of Hollywood hits, the last few weeks have found Weaver holed up in a tiny theater on Manhattan's Lower East Side, for one of her more challenging, if less lucrative, assignments. The theater is CSC Repertory, where the Classic Stage Company is presenting "The Merchant of Venice" in a production that runs until Jan. 11. With John Seitz as Shylock, Weaver stars as Portia and is directed by her husband, James Simpson.

Although her résumé includes many theatrical credits — including "Hurlyburly" and a succession of off-Broadway works by her old friend Christopher Durang — Weaver's last foray into Shakespeare ended badly when she was dismissed by Nicol Williamson from his 1982 production of "Macbeth" at Circle in the Square. "I consider myself quite lucky I was fired, because I would probably have stayed until the bitter end," Weaver says dryly.

"I had worked a lot on different roles in Shakespeare," she says, "but I had never worked on Portia or even talked to anyone who had, and I felt an immediate connection with her. I felt she was a very contemporary woman in a lot of ways. She has a blazing intelligence, and has been given a remarkably enlightened education. She's deeply passionate and idealistic, she has a wicked sense of humor, and she's fiercely independent and adventurous; even though she marries Bassanio, it never occurs to her to consult him before racing off to take on a huge challenge."

Another lure was the opportunity to spend time with her husband, a free-lance director. It was Simpson who chose "The Merchant of Venice." "One of the reasons was that there are so many good roles that you don't have to depend on one person to carry it," he notes. "Luckily Sigourney read the play and —"

"— leaped," she interjects.

"— at the chance to do it, because Portia's such a goodie," Simpson continues.

Like Weaver, the 30-year-old Simpson went to the Yale School of Drama and has since directed at the Williamstown Theater Festival, the Public Theater and the Ensemble Studio Theater, among other places. As soon as he leaves the room Weaver tiptoes to the door and closes it. "He's such a good director," she whispers. "He really lets people explore and do their work. He encourages you to invent and try things."

Both actress and director see "The Merchant of Venice" as transcending many of the accusations that have been leveled at it over the centuries. "I think the story is often misconstrued to be anti-Semitic," says Weaver. "I think it's really about businessmen with very different ways of conducting their lives and different sets of beliefs, with all the prejudice and suspicion that brings. The fact that there is a 'racial' difference enhances the other differences between these two men. But ultimately Shakespeare, who is a very wise man, presents a total picture of the situation. It's about people's distrust of each other, really."

James Simpson directing Weaver (right), Christine Nielsen in "Merchant."

Simpson, who has set his production in the 13th century, adds: "The argument of the play is not simply few versus Christian, it's venture capitalism versus usury, which is really the distinction between Antonio and Shylock. Shakespeare has the dogs of Venice presiding over the court, and that takes us back to the 13th century; this was a time when the concept of usury was a very volatile issue. In Shakespeare's time usury was practiced by all the Christians."

Although Weaver and Simpson have been married for three years, "The Merchant of Venice" marks the first time they have worked together. "It's a gas," says Simpson.

However, neither sees their personal relationship as skewing the working process. "Sigourney is a member of the ensemble, and she's as outspoken as anybody else," says Simpson. "We don't really play it safe with each other. I think if she has something to say or I have something to say, we'll say it, rather than saving it for some at-home safe time just between the two of us."

"He treats everyone the same way," Weaver adds. "He certainly isn't going to favor me." She grins.

Simpson, a child actor in his native Hawaii, was earning $2,000 a week on the television series "Hawaii Five-O" by the time he was 17. These days, however, his focus is on directing, and his schedule is a busy one. After "Merchant," Simpson begins rehearsals in January for his next production, Howard Fast's "Citizen Tom Paine," which is expected to run in Philadelphia and Washington.

Simpson and Weaver also met at Williamstown, where she was performing in "Old Times." "We barely spoke," says Weaver, "but then I invited him to this Halloween party and he asked me out — finally." She pauses to consider this statement for a moment. "Actually, I think I asked him out," she amends. "I think I said something like, 'Well, maybe we should have dinner some night and talk about the theater.'"

Even as an adolescent, Weaver knew it was the life she was heading for; by the time she was 14 years old Susan Weaver had read "The Great Gatsby" and rechristened herself Sigourney, the name F. Scott Fitzgerald gave to the snobbish Jordan Baker's aunt. The daughter of the British stage actress Elizabeth Inglis and Sylvester (Pat) Weaver, president of NBC during the 1950s, she attended Stanford University and then went on to the Yale School of Drama.

Although she has chosen to spend this period of time performing in a 180-seat theater, Weaver is well aware of her current commercial potential. "I could say, 'Now's my chance to make it big and get a socko movie that puts me at the top of the heap,'" she says. "God, just saying it puts me to sleep. Better I should continue doing what I'm doing. I do believe that whatever you need to learn next, you can learn, whatever you're doing. The main thing is taking the steps. And Portia demands everything from me that I can bring to it. You could do it forever and you would still be learning things. I'm already dreading the end, and we've barely begun."

PEOPLE

Hardworking Lew Grade Celebrates 80th Birthday

Lord Grade celebrated his 80th birthday on Christmas but planned to be back to work Monday in London on projects ranging from a film about Lloyd Webber musical for Broadway to a Barbara Cartland television film. The flamboyant show-business entrepreneur, who is producing Lloyd Webber's "Starlight Express" in New York, said, "I promised CBS the Cartland film would be great, and I try never to let anybody down willfully." The Ukrainian-born Lewis Winogradsky, later Lew Grade, rose from employment in a London East End tailor shop to become one of Britain's most successful producers. To mark his birthday, weekly Variety published a special section on him with tributes from celebrities such as Roger Moore, Bob Hope and Norman Lear.

□

Just days after Governor Mario Cuomo of New York dashed her hopes of an early release from prison, Jean Harris faced a decision whether to undergo open-heart surgery. Harris, 64, is serving a prison term of 15 years to life in Bedford Hills, New York, for the 1980 shooting of her lover, Dr. Herman Tarnower. Shortly after being denied a waiver for early clemency review by Cuomo's administration, she was scheduled to meet with doctors to discuss possible heart surgery, said James Patrick, a spokesman for the Westchester County Medical Center, where Harris was treated for a heart attack in 1984.

□

If people followed Marvin Mitchelson's example, the celebrity divorce attorney would be out of business. He and his wife, Marcella, just celebrated their 26th wedding anniversary in Los Angeles.

□

Kingman Brewster Jr. has been named Connecticut's European special envoy for economic development. Brewster, 66, a lawyer, former Yale University president and former U.S. ambassador to the Court of St. James's, was appointed to the post by Governor William A. O'Neill. "I don't know if I can entice companies to locate in Connecticut, but I can at least inform them about what the opportunities are," said Brewster, who is serving a three-year term as master of University College, Oxford.

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